

# Gold Producer Metanor Intersects 10.1 G/T Gold Over 26.2 M Near-Surface In New Discovery Zone South of Pluton At Bachelor

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## Drilling Continues With Aim of Defining High-Grade System in this Previously Underexplored Region

NEW YORK, NY / ACCESSWIRE / September 28, 2015 / [Metanor Resources Inc.](#) (TSX VENTURE: MTO) (PINKSHEETS: MEAOF) (Frankfurt: M3R) announced this last week it has intersected 10.1 g/T Gold over 26.2 meters near-surface (hole M0-15-14) in a new discovery zone not linked to anything previously known, only ~900 meters south of the headframe at Bachelor. Mining MarketWatch Journal has published an overview of the exploration efforts surrounding this exceptionally stellar high-grade intercept which begins at only 6.4 meters depth.

The full Mining Journal review may be viewed at <http://miningmarketwatch.net/mto.htm> online.

The new discovery is now being followed-up to investigate how, if at all, it is connected to an earlier drill hole intercept (M0-15-08) at 605 m depth that yielded 26.8 g/T Gold over 1 m, this is being accomplished by continuing M0-15-14 to ~600 m. The exploration plan also will see Metanor drill a series of short holes to locate the direction and thickness of the new discovery. If the core angle is the same orientation as the rest of the mine then Metanor may have hit the jackpot if the dots connect as is hoped. The implications for shareholders of MTO.V will be profound as there appears potential to see a new high-grade open pit mine from surface and also perhaps underground at depth via drift from the existing Bachelor Mine. The caliber of the intercept is stunning and dramatically increases the attractiveness of MTO.V for potential suitors looking to acquire/buy-out.

This new discovery fits well into the future expansion plans for Metanor: It is anticipated that for only few million in capex Metanor could increase the milling capacity to accommodate a second front and facilitate output that could possibly yield 80,000+ ounces Gold (possibly even 100,000 oz in the future depending on variables) per annum from the Bachelor Mill, the increase in scale would also translate toward lowering cash costs.

The new discovery is directly adjacent road access, almost in line with the headframe (due south of), drilled towards the pluton (which is located under the tailings area). Metanor should be able to make quick progress on defining the near-surface deposit, its relatively flat in the area with only a little overburden, we estimate 50 short holes could be drilled within a couple month, and assuming favorable results a sketch of an open pit shell could develop. If Metanor determines within the next few weeks that the new vein is near vertical the Company could drive a drift from underground. This new discovery drill hole stemmed from high-powered IP geophysics that Metanor had tested with the earlier hole at depth to see it responded well with the type of ore it had, that earlier anomaly was identified and drilled-off with the results geologists expected (26.8 g/T Gold). Metanor has determined that there is a direct correlation between the percentage of pyrite and the hole grade -- the anomalies setting up to be tested next are essentially more of the same and results could potentially yield wildly phenomenal grades. Important to remember is that Bachelor, and other mines in the Abitibi region, have been historically founded with little gold yet continue to be mined yielding many multiples what was originally found, adding as they go. However the difference with this new discovery is results near-surface (10.1 g/T) are far better than anything before in the region and grades typically improve with depth (26.8 g/T is known at 605 m below). If this previously underexplored side of the pluton at Bachelor is as richly laden with gold as early results indicate, the high-grade blue-sky-potential surrounding this promising new discovery zone is a game-changer that takes Metanor to a whole new level.

Metanor is a commercial gold producer at its 100%-owned Bachelor Gold Mill in Quebec. With a current market capitalization of ~\$21 million (356.6M shares outstanding X ~6 cents) MTO.V presents a significant opportunity for investors that understand the latent opportunity this gold producer presents as its primary asset, the Bachelor Mill, has a replacement value several times the Company's current market cap and is increasingly being viewed as a coveted strategic asset being the only mill within 200km in a gold-rich district.

### Assets-wise:

1) Steady cash on hand (\$4.4M in its bank account and 785 oz of gold stored at the Royal Canadian Mint (as

declared in June 1, 2015 news release));

2) Positive working capital, book value at \$56 million (>\$0.15 cents per share), and infrastructure replacement value on all properties in excess of \$100 million;

3) MTO.V also offers a significant latent tax savings windfall value for a future acquirer with a loss-carry-forward on the books of ~\$40 million, the impact could generate \$12 million to \$15 million in tax credits; and

4) ~1.6 million ounces gold global resource in all categories (on all properties, two of which are permitted mines (Bachelor and Barry)).

#### **Liabilities-wise:**

1) Metanor has completely repaid its loan to Investissement Québec (originally \$7M), final payment was made this August 2015 (freeing up an extra \$525K/mo cash flow (from at its peak)); &

2) Metanor's remaining convertible debenture has been paid down to \$9 million outstanding and the term extended to August 2017.

Operationally: Metanor's latest gold production figures reveal the Company is profitable, operating cash flow positively, and successfully executing on cost-cutting measures, delivering cash costs of ~US\$850/oz gold with all-in costs of ~US\$950/oz. The Company produced nearly 12,000 ounces in the quarter ending Sept. 2014, it then encountered a setback (stope collapse), and has since evidenced an improving trend, producing 10,277 ounces during the quarter ended June 30th 2015, and this improving trend is expected to continue as the Company advances toward normalizing again, and eventually attaining a near-50,000 oz per annum gold production run rate again. The Bachelor Lake mill has a capacity of 1,200 tpd but is currently running at a rate of ~800 tpd, with an effective rate of ~700 tpd with periodic routine downtime for maintenance.

There exists opportunities to expand production beyond the current production capacity of ~50,000 ounces of gold per year; the Bachelor mine sourced rock is 'hard', making it a limiting factor in-part, however this can overcome with a nominal capital outlay to move to 1,200 tpd, also sourcing alternate sourced material from a secondary front is another obvious option in this gold-rich territory -- the flexibility Metanor has on this front positions Metanor's mill as its primary asset and increasingly 'in-play'. Hydro Quebec is planning an area substation for this fall, thus then appears to be the optimum time for Metanor to be positioned to focus on increasing the capacity (Metanor has been waiting for that). The level of interest swirling around Metanor's primary asset appears high -- shares of MTO.V are poised for upside revaluation as the inherent value and accomplishments are appreciated by the market, and apt to respond in multiples as gold retrenches and strengthens.

Metanor is ready to take advantage of three things; 1) improved grades and grade control, 2) foreign exchange (MTO.V is protected to the downside by forex gain from US to CDN, it is currently receiving a ~\$365/oz price differential for gold in Canadian dollars over US dollars), and 3) the price of gold.

Metanor is leveraged to grade; if MTO.V improves its grade it will become more profitable, and that is what appears will be the case; "Metanor anticipates gold grades to average +6 g/t on a go-forward basis." (source: Analyst Secutor Capital Management May 25, 2015). For the fiscal year ended June 30th, Metanor produced 40,067 ounces. A total of 234,826 tonnes of ore at a feed grade of 5.50 grams / tonne were processed during the year with a 96.5% recovery rate. Metanor sold 10,626 ounces of gold in the quarter and 41,242 ounces of gold for the year. The production, in the last quarter, came from the «Main» and the «A» veins. For the coming quarter, the production will continue to come from these two veins with a grade near the current level. Starting this fall, the «B» and «Hewfran» veins will be added to production in addition to the «A» vein. The production from Hewfran is expected to increase the average grade of the mine between 5.8 and 6.2 g/t. For the coming year, Metanor expects to produce between 42,000 and 45,000 ounces of gold. Development towards the west continued in the last quarter on levels 6 and 8, and 14. The development will continue on the same levels during the coming quarters. The exploration program also continued to the west with good results on level 6. The upcoming drill program will aim to connect the sector on level 13 with the known upper sector on levels 6 and 8.

#### **Metanor currently has two permitted mines:**

1) Bachelor Mine: Bachelor is a rich underground mine with grades upwards of 26 g/t gold with an average grade of 7.38 g/t gold (fully diluted using long hole). Recent drilling results (e.g. September 22, 2015

"Metanor Intersects 10.1 g/t Au Over 26.2 Meters Near Surface," August 6, 2015 "Metanor Intersects 10.2 g/t Over 13.1 Meters at Bachelor Mine," July 29, 2015 "Metanor Intersects 11.9 g/t Au Over 11.85 Meters at Bachelor Mine," July 2, 2015 "Metanor Intersects 6.82 g/t Over 8.7 Meters at Bachelor Mine," June 25, 2015 "Metanor Intersects 12.8 g/t Over 10.8 Meters At Bachelor Mine," June 22, 2015 "Metanor Intersects 22.85 g/T Over 4.04 Meters at Bachelor Mine," March 20, 2015 "Metanor Intersects 8.64 g/T Over 5.8 Meters at Bachelor Mine," and May 14, 2015 "Metanor Intersects 12.24 g/T Over 4 Meters in the Hewfran Sector of the Bachelor Mine") continue to demonstrate, in-part, Metanor's ability to readily extend the mineable life of Bachelor, similar to how other successful area miners have operated (and several continue to this date) -- typically lining up a couple years of initial quality mineralized material but remaining operational for many decades, adding as they go. MTO is able to sell 80% of its Bachelor Mine sourced gold at spot prices with the balance sold to Sandstorm as per gold participation agreement (Note: this arrangement is only on Bachelor-area sourced material, Metanor's mill is a separate asset that is 100%-owned by the Company and the mill may be used to process material sourced from outside Bachelor without restriction (for Metanor's sole-benefit) as long as it meets minimum covenants to Sandstorm -- covenants Metanor has been more than able to satisfy to date).

2) Barry Gold Project, Quebec (located ~65 km from Bachelor): The 100% owned Barry property is neighbor to Eagle Hill's Windfall Lake Deposit. The resource estimate at Barry now sits at 309,500 oz Gold of Indicated Resources (7,701,000 t at 1.25 g/t Au) and 471,950 oz gold of Inferred Resources (10,411,000 t at 1.41 g/t Au) and is wide open for large resource growth expansion. The current 1km strike at Barry is potentially 13km, there are in excess of 150 anomalies outside the pit area. The Barry deposit is a potential multimillion ounce target; the independent international professional geological firm SGS Geostat has identified Metanor's Barry deposit as comparable in potential to rival other multi-million ounce deposits such as Canadian Malartic gold deposit (formerly owned by Osisko, now owned by Yamana and Agnico-Eagle) & Detour Gold's Detour deposit. Metanor is not currently mining from Barry, however one option is to put a concentrator on site and transport material to its Bachelor Mill. The Barry deposit is open in all directions, and Metanor is currently looking at it with consultants and will be doing a drilling campaign in the pit with the aim of targeting 2+ g/T gold material for a new potential mining scenario. Important to note is that Osisko Gold Royalties has recently orchestrated acquisitions adjacent Metanor's Barry deposit.

The full Mining Journal review may be viewed at <http://miningmarketwatch.net/mto.htm> online.

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## Contact Information:

James O'Rourke, Editor  
Mining MarketWatch Journal  
[editor@miningmarketwatch.net](mailto:editor@miningmarketwatch.net)

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