Precious Metals Review

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Mining Expert Jay Taylor Advises its Time to Accumulate Shares of Metanor TSX-V: MTO

Metanor Resources Inc. (TSX-V: MTO) poised for upside share price movement

***"**I believe the company's Bachelor Lake Operation is just about ready to turn cash flow positive. If I'm right about that so that it reaches commercial production before the end of this year, then this … could quickly double or triple from here, on its way to much higher valuations in the longer term."*

***Source:** Jay Taylor, Taylor Hard Money Advisor Q3 2013*

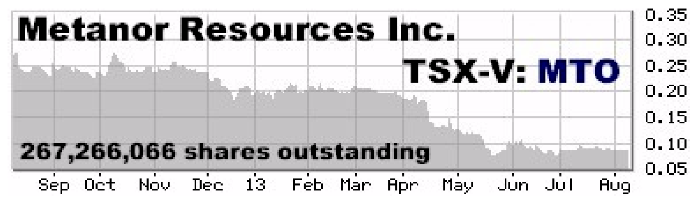
Greg Thompson
Precious Metals Review

Mining Analyst Jay Taylor of Hard Money Advisors advises clientele to acquire shares of MTO.V

Metanor Resources Inc. (TSX-V: MTO) (US Listing: MEAOF) (Frankfurt: M3R) is a new Gold miner that has been undergoing development ramp-up at its newly refurbished Bachelor Mine and Mill in mining friendly Quebec. Bachelor is a very 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 development work at Bachelor has stabilized production near 3,000 oz Gold/month -- this sets the stage for a cash flow positive scenario and a push to closer to 4,000 oz per month this Q4, and then a push for 4,000 - 5,000 oz Gold per month target (at 800 TPD).

Mining analyst Jay Taylor of Hard Money Advisors Inc. is intimately familiar with Metanor, having visited Metanor's Bachelor Lake Mill in the past to see firsthand the infrastructure upgrades and has followed its progress toward becoming a Gold producer over the last five years. Mr. Taylor is known for being reserved in his advice, thus investors should pay attention when he does decide a company is finally poised to appreciate in value and worth establishing a long equity position for near-term superior return potential; MTO.V is now in that category.

Jay Taylor has recommended Metanor Resources Inc. for his clientele/readership. Full copy of his recommendation / commentary is reprinted starting on the following PAGE 2…



Market Equities Research Group has offered the following supplementary information that readers of Jay Taylor's recommendation (seen on page 2 of this publication) should be aware of:

Very recently MTO received ~$2.4 million from the Quebec government (for mining tax credits that were on Metanor's receivables and are now in cash), together with the cash on hand and gold bars in transit liquidity stands at ~$5 million.

Commercial Gold Production Imminent

Metanor is working toward commercial production and is in effect crossing the chasm from development to higher-grade stope production, however the fact is MTO is still in development ramp-up mode sitting at ~50% development ore and 50% stope ore. This results in a fluctuation of production that currently translates to close to 3000 oz gold per month, however when the stopes become the main focus the monthly production numbers will rise significantly (4000 – 5000 oz per month) and commercial production will be declared. Jay Taylor is wise to be positioning his paid subscriber base now in shares of MTO.

MTO also presents exceptional value as a take-out target as it approaches commercial production and is dramatically undervalued on a replacement value basis (MTO has infrastructure replacement value of over $200 million – several times its current market cap). Fully permitted and sufficiently staffed with professional mining personnel able to handle the ramp-up, MTO presents investors with an exceptional opportunity as the first new gold miner in Quebec's Plan Nord. Operational highlights of this new low-cost gold producer include; 1)Low geopolitical risk; 2)Low hydro-electric costs, unaffected by oil; 3)Targeting 60,000 oz per year production at 800TPD, >96% recoveries; 4) Cash cost are TBD, once MTO is at speed cash costs will drop, general consensus is MTO appears comfortable targeting $700 - $800 direct cash cost (a ~US$464/oz gold pre-feasibility estimate from Stantec was made prior to a sector-wide rise in costs); 5) Identified zones should lead to resource growth and extension of mine life closer to 10+ years.

Source: Market Equities Research Group

***NY Spot* August 9, 2013; *Gold:* $1,312.80 *Silver:* $20.45**

Buy Metanor Again

Metanor Resources Ltd. – $0.09 – I am reestablishing a BUY recommendation for Metanor from my current "hold" because I believe the odds favor a turnaround for this company and its operations at its underground Bachelor Lake Mine in Quebec.

Yes, I know it's a high-risk recommendation. As of March 31, 2013, the company had a working capital deficit of $2.1 million and it may still be hemorrhaging cash from operations. But I believe the company's Bachelor Lake Operation is just about ready to turn cash flow positive. If I'm right about that so that it reaches commercial production before the end of this year, then this 9-cent stock could quickly double or triple from here, on its way to much higher valuations in the longer term.

Metanor reached a record monthly production of 3,215 ounces of gold for the month of June, despite the fact that it is still processing development ore as it continues to develop more stopes from which to mine. Since the beginning of 2013, Metanor has mined from only 1 or 2 stopes on Level 11 and Level [13]. Now development has begun on Level 13 where drifting is moving toward the west, where management has recently discovered an enlargement of the Main Vein. Once more mining faces are developed, not only should the company be able to pull sufficient ore to feed the 775-tonne-per-day mill, but the grades should be higher as well. Management feels it is very close to breaking the breakeven cash flow barrier, even at these lower gold prices. The combination of additional mine faces combined higher grades combined with higher gold prices should enable Metanor to turn its fortunes around starting about now.

As for the mill, its performance has been superb! It has exceeded capacity on two occasions, reaching a high of 807 tonnes recently compared to its rated capacity of 775 tonnes, and recoveries have been very high. In June, for example, 96.8% of the gold fed into the mill was recovered.

Regarding the company's negative working capital as of March 31, nearly $5 million of current liabilities were comprised of debt owed to the Quebec government, which I believe may be rolled into a longer term debt. And one advantage Metanor and other exploration companies enjoy in Quebec is that they get a percentage of exploration money plowed back to them. So, a successful renegotiation of the $5 million owed to the Quebec government combined with over $2 million of the $3.2 million owned Metanor by the Quebec government plus a recent raise of over $2.8 million have given the company a bit of breathing room for the moment.

So the main issue right now for Metanor to get started producing positive cash flows is to get a sufficient number of mining faces available from which to draw more ore and a higher-grade ore, which will come as the development portion of the underground work declines. Ron Perry, Metanor's treasurer, told me he is hopeful that the development phase is far enough along that the company can turn cash flow positive by this fall. The operative word here is "hopeful." I have been around this business a long time and "hope" is a word frequently used, as is "disappointed." What I do know is that in the very difficult business of mining hope springs eternal, disappointments are very frequent, but once in a while companies do outperform expectations. And when that happens, a big payday is provided for those who own these shares when the turn comes. I believe there is a better than 50/50 chance that we have seen the bottom in the share price of Metanor. If I'm right, now should be an excellent time to pick up some Metanor shares. **##**