



Precious Metals Review

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Gold Producer Metanor Poised for Significant Upside Revaluation

Nov 24/08

Metanor Resources realizing ~CDN\$1,000+/oz gold with no long term debt

"Metanor Resources Inc. (TSX-V: MTO) now offers a unique situation that places shares of MTO.V apart and above those of other junior gold explorers or producers – new status as "commercial gold producer", virtually no long term debt, low cash cost (~CDN\$375/oz) in stable jurisdiction, plans to increase to 1200 TPD at nominal (\$5M) capital expenditure, growing resource base, MTO.V is currently trading at a mere fraction of its 100% owned ~\$140M infrastructure value..."

Source: Market Equities Research

Greg Thompson
Precious Metals Review

Asset Class Disconnect Presents Opportunity

Equity stocks of many quality resource companies have been hammered and now appear in disconnect from the inherent value of the related companies. By their very nature the asset class is one of the few assets that could be liquidated by desperate institutional investors to raise cash in a hurry, creating opportunity now; Investors who have the ability to stay the course and are invested in the highest-quality juniors will see sizeable appreciation of their capital as the broader public returns. In that light, put Metanor at the top of your list...

Metanor Resources Inc. (TSX-V: MTO) is an unhedged gold producer in mining friendly Quebec. Metanor at its 100% owned 1,200 (upgradeable capacity) TPD mill in Desmaraisville (Val d'Or) is now a full fledged commercial producer as of October 1, 2008. Production in 2008/09 should conservatively come in at 25K - 35K oz gold and ramp up from there to 55K - 65k oz in 2009/10. Ore extract is coming from their 100% open pit operation on their Barry gold deposit (located approximately 65 km southeast of the mill). This exciting mining venture is the subject of unbiased flattering commentary by [Resource World Magazine](#) in its November 2008 issue; we are unable to provide subject matter pertaining to this as that is protected by copyright and they are a subscription based magazine. However, another Mining Journal has provided a valuation synopsis (to the right) and believes the share price of Metanor appears to be an exceptional risk-reward scenario.



Valuation Analysis/Commentary:

"As of October 1, 2008 Metanor Resources Inc. commenced full commercial production at MTO.V's 1,200TPD (upgradeable capacity) Bachelor Lake Gold Mill. The current market cap of MTO.V is less than 30% the replacement value (~CDN\$140M) of their infrastructure alone, ignoring the 1M+ oz gold resource, with ever expanding & further significant exploration potential, with substantial revenue projections. Mining expert Jay Taylor, has made MTO.V one of his top picks in 2008 saying "This is a story of production, exploration, and building ounces". Production in 2008/09 should conservatively come in at 25K gold and ramp up from there. The mill is configured to produce dore bars of gold, with a small component of silver. MTO.V has ~1,000,000 oz of Gold (NI-43-101 measured and indicated) available from their three properties. The ongoing exploration drill program at their ever expanding Barry deposit is just one of many venues to expand the resource base and is exceeding expectations. Their forward projected EPS will likely be very significant as a debt free unhedged gold producer and the current market cap relative to expected revenues is disproportionate; with approximately 74M shares outstanding and currently trading under CDN\$0.50/share, the present valuation of MTO.V provides exceptional opportunity for investors. Market dynamics are improving the bottom line at Metanor, an already low cost producer -- lower input costs and recent resource expansion successes [See Nov. 20/08 release "[Extension of the West Zone on the HEWFRAN property adjacent to BACHELOR](#)"] add to attractiveness"

Source: miningmarketwatch/mto.htm

NY Spot Close Nov 21, 2008; Gold: \$791.50, Silver: \$9.50