

### **METANOR REPORTS NET INCOME OF \$2 MILLION FOR THE QUARTER ENDED DECEMBER 31, 2016; RAISES GUIDANCE**

February 8, 2017 - Val-d'Or, Quebec, Canada: Metanor Resources Inc. ("Metanor") (TSX - V: MTO) is pleased to report its financial and operating results for the quarter ended December 31<sup>st</sup> 2016 (fiscal Q2 2017). This press release should be read in conjunction with Metanor's financial statements for the quarter ended December 31<sup>st</sup> 2016 and related Management's Discussion and Analysis (MD&A); both of these documents can be found on the Company website at [www.metanor.ca](http://www.metanor.ca) or on SEDAR [www.sedar.com](http://www.sedar.com). All amounts are in Canadian dollars unless stated otherwise.

#### **Q2 2017 Highlights**

##### **Bachelor Property**

- Gold production of 9,764 ounces in Q2;
- Gold sales of 10,430 ounces in Q2;
- Revenue of \$15.9 million from gold sales in Q2 at an average sale price of \$1,522 per ounce sold (US\$1,141/oz).
- Cash Cost<sup>1</sup> of \$889 per ounce sold in Q2 (US\$667/oz).
- Sustaining cost<sup>2</sup> of \$1,075 per ounce sold in Q2 (US\$806/oz).
- All-In cost<sup>3</sup> of \$1,208 per ounce sold in Q2 (US\$905/oz).

##### Note

1. The cash cost is composed of all costs related to the mineral extraction and processing including royalties associated to the property, and by-product credits.
2. The sustaining cost is composed of the cash cost, and all costs related to sustain the existing operation such as capital and exploration expenses at the existing mines, and the corporate administration cost.
3. The all-in cost is composed of the sustaining cost, and all costs related to corporate exploration and evaluation.
4. Exchange rate of US\$0.75/CAD\$1.00 used in US\$ calculations

##### **Barry Property**

During the quarter, the Company filed a Preliminary Economic Assessment ("PEA") for the Barry Property prepared by independent consultants Goldmind Geoservices Inc. The economic evaluation was based on the recently updated resource estimate for the Barry open pit. See press release dated September 22<sup>nd</sup> 2017:

Highlights from the PEA include:

- Pre-Tax Net Present Value (at a 6% discount rate) of \$53.5 million;
- Pre-Tax Internal Rate of Return of 198%;
- After-Tax Net Present Value (at a 6% discount rate) of \$25.9 million;
- After-Tax Internal Rate of Return of 94%;
- Life of mine gold production of 193,457 ounces over 9 years;
- Life of mine strip ratio of 2.17 to 1.

## Financial Highlights:

- The company reported net income of \$1.99 million for the three months ended December 31<sup>st</sup> 2016.
- The company had \$3,093,255 in cash on December 31<sup>st</sup> 2016.

## Q2 2017 Operating and financial results

Operating and financial results	Quarter ended December 31 <sup>st</sup> , 2016	Quarter ended December 31 <sup>st</sup> , 2015	Six months ended December 31 <sup>st</sup> , 2016	Six months ended December 31 <sup>st</sup> , 2015
<b>Operational results</b>				
<b>Tonnes milled (Tonnes)</b>	61,790	54,426	124,764	110,874
<b>Feed grade (g/T)</b>	5.1	4.6	4.7	4.6
<b>Mill recovery rate</b>	96.5%	96.7%	96.3%	96.6%
<b>Ounces produced</b>	9,764	7,774	18,163	15,834
<b>Ounces sold</b>	10,430	7,476	18,323	15,273
<b>Underground development (metres)</b>	999	1,768	2,116	3,362
<b>Diamond drilling (metres)</b>	18,423	18,062	37,459	35,387
<b>Financial results (Thousand dollars)</b>				
<b>Gold Sales</b>	15,875	10,179	28,538	20,920
<b>Operating Costs</b>	(8,908)	(9,848)	(17,431)	(18,517)
<b>Royalties</b>	(368)	(216)	(591)	(432)
<b>Depreciation &amp; Depletion</b>	(3,289)	(2,629)	(5,989)	(5,322)
<b>Gross Income (Loss)</b>	3,310	(2,514)	4,526	(3,351)
<b>Net Income (Loss)</b>	1,985	(3,765)	1,783	(5,781)

During the quarter, a higher feed grade resulted in more ounces sold and a reduction in operating costs, compared to the same quarter in 2015. The mine generated an operating income of \$3.3 million which were reinvested into the exploration on the Bachelor, Moroy, and Barry properties.

### **Outlook for the coming quarters**

Metanor raised its production guidance for the year to a range of 30,000-36,000 ounces of gold from 28,000-33,000. Management anticipates that the feed grade for the upcoming quarter will be similar to that of Q2 2017.

The company plans to publish a resource and reserve update for the Bachelor mine within the current quarter, ending March 31, 2017. Meanwhile, an underground drill program will continue over the coming months in order to test additional targets outside of the soon-to-be reported reserve update.

At the Barry property, Metanor continues drilling within the Barry open pit in order to increase mineral resources and to convert inferred resources into the indicated category. The Barry open pit remains open in all directions, demonstrating potential to increase in size.

### **Qualified Persons**

Pascal Hamelin, P. Eng., Vice-president of Operations, is the Qualified Person under NI 43-101, responsible for reviewing and approving the technical information contained in this news release.

### **Cautionary and Forward-Looking Statements**

This press release includes certain statements that may be deemed "forward-looking statements". The potential quantity and grade is conceptual in nature as there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource. All statements in this discussion, other than those of historical fact, that address future exploration drilling, exploration activities and projected exploration, including costs and other estimates upon which such projections are based, and events or developments that the company expects, are considered forward-looking statements. Although the Company believes the expectations expressed in these forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those forward-looking statements.

Neither the TSX Venture Exchange, nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.

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