



METANOR REPORTS ITS FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED JUNE 30TH, 2017

VAL-D'OR, QC, Oct. 20, 2017 /CNW/ - **Metanor Resources Inc. ("Metanor") (TSX - V: MTO)** is pleased to report on its financial results for the quarter (Q4) and year ended June 30th, 2017. This press release should be read in conjunction with Metanor's financial statements for the year ended June 30th 2017, and the related Management's Discussion and Analysis (MD&A), which can be found on the Company website www.metanor.ca or on SEDAR www.sedar.com. All amounts are in Canadian dollars unless otherwise stated.

Q4 2017 HIGHLIGHTS FOR THE QUARTER

- Gold production 7,248 ounces for the quarter.
- Gold sales of 7,416 ounces for the quarter.
- \$12,462,203 in gross gold sales for the quarter at an average realised price of \$1,681 per ounce sold (US\$1,250/oz using an exchange rate of US\$0.74/C\$1.00).
- \$11,450,316 in net revenues from gold sales for the quarter after sales of ounces to the stream agreement.
- Cash cost¹ of C\$ 1,134 per ounce sold for the quarter (US\$ 843/oz using an exchange rate of US\$0.74/C\$1.00).
- 10,260 metres drilled in the quarter.

HIGHLIGHTS FOR THE YEAR ENDED JUNE 30TH, 2017

- Gold production of 34,853 ounces of gold for the year.
- Gold sales of 36,620 ounces for the year.
- \$60,682,905 in gross gold sales for the year at an average realised price of \$1,657 per ounces sold (US\$1,159/oz using an exchange rate of US\$0.75/CND\$1.00)
- \$56,292,643 in net revenues from gold sales for the year after sales of ounces to the stream agreement (compared to \$48,313,864 for the year ended June 30, 2016 ²).
- Cash cost¹ of CND\$ 1,021 per ounce sold for the year (US\$ 770/oz using an exchange rate of US\$0.75/CND\$1.00) (compared to CND\$ 1,212 and US\$ 929 for year ended June 30, 2016).
- Net loss and comprehensive loss of \$404,245 for the year (compared to \$7,319,624 for the year ended June 30, 2016) with gross profit of \$11,366,984 (compared to \$1,154,950 for the year ended June 30, 2016)
- Cash and cash equivalents of \$19,392,815 as at June 30th, 2017, pursuant to the closing of three private placements in the aggregate of \$26,282,006 (\$6,680,475 from the issuance of flow-through shares) with working capital of \$13,872,583 (compared to cash of \$1,888,938 for the year ended June 30, 2016 and a working capital deficit of \$1,322,083 for the year ended June 30, 2016).
- Common share consolidation on a 10:1 basis, April 13, 2017.
- Repayment of principal amount outstanding of \$9,000,000 on secured convertible debentures.
- Appointments of Messrs. Greg Gibson, Mr. Akiba Leisman, Mr. Pascal Hamelin and Mrs. Christina Ouellette to the Board of Directors. Mr. Greg Gibson was appointed Chief Executive Officer and Mr. Pascal Hamelin, Chief Operating Officer.

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 As restated pursuant to the change in accounting policy for exploration and evaluation expenditures (E&E) to recognize such expenditures in the statement of comprehensive income for the period incurred.

OPERATION SUMMARY

Bachelor Mine overview

Operation results	Three months ended		Twelve months ended	
	June 30 TH 2017	June 30 TH 2016	June 30 TH 2017	June 30 TH 2016
Tonnes milled (Tonnes)	53,372	61,002	239,237	232,603
Feed grade (g/T)	4.4	4.5	4.7	4.6
Mill recovery rate (%)	96.6%	96.1%	96.4%	96.4%
Ounces produced	7,248	8,502	34,853	33,450
Ounces sold	7,416	9,887	36,620	33,890
Underground development (metres)	1,292	1,559	4,638	6,492
Diamond drilling (metres)	21,544	24,557	74,217	66,748

EXPLORATION OVERVIEW

During the year ended June 30, 2017, the exploration and evaluation expenditures net of credit on duties and tax credits were of \$5,590,125 compared to \$4,051,739 for the same period in the prior year. This increase of \$1,538,386 represents exploration work performed mainly on the Moroy and Barry properties. Exploration and evaluation expenditures for the three-month period ended June 30, 2017, were \$1,748,809.

Bachelor Mine

In the last year, the exploration drilling continued in the Hewfran sector to verify the extension of the Hewfran stopes below level 14 and further west on level 8. An additional drill was mobilized in May 2017 to further explore below level 16 in the Main vein. In the coming months, the underground exploration drilling will be on the Moroy structure south of Bachelor.

During the last quarter of 2017, a compilation of historical geological data on all properties in the Bachelor block, was undertaken. The objective of this exercise is to identify areas for future exploration work.

BARRY PROJECT

- 17,815 m drilled for the year, 9,688 m for the quarter:
 - Presence of a series of high grade gold sub-vertical shears below the three small pits;
 - Presence of a gold bearing contact zone against intrusive dyke.
- The Company increased to two drills in May focusing on the shear type structures below and laterally from the pits.

BARRY UNITED – pits sector

During the last quarter, 9,955 metres from 22 holes were drilled around the pits. These holes have intersected several gold zones associated with shear zones, located in the Southeast sector of the pits. The average thickness of all intersected shears was 2.5 metres, ranging from a half meter to over 9 metres. Gold grades ranged from 1.5 grams to 14.8 grams of gold. Occasionally, gold grades were greater than 30 grams; then they are associated with visible gold. These holes were published in the press release dated June 8, 2017. The possibility of underground extraction of the new auriferous gold-bearing lenses is excellent. The next phase of work involves infill drilling.

BARRY UNITED - MOSS sector

A surface exploration campaign began in June, 2017, and 1,593 metres (10 holes) were drilled. The purpose of a surface exploration campaign began in June, 2017, and 1,593 metres (10 holes) were drilled. The purpose of these holes is to extend gold-bearing known zones in the Moss sector and to test some of the geophysical conductors present along the NE-regional fault, which controls the gold mineralization of the area. Gold zones were intersected by these drill holes on a few locations on the property. A follow-up is currently underway in the prospective sectors.

UPDATE ON BARRY

On August 28, 2017: Metanor announced that it had intersected 7.1 g/t Au over 8.2 metres in a shear zone at Barry and the outlining the high-grade gold bearing shear zones. Since June 8, 2017, 21 holes have been drilled and assayed and they have all intersected multiple shears at various depth. The shears are now showing continuity over 600 metres along strike, and 400 metres vertically. A minimum of 5 parallel shear zones have been identified so far while remaining open along strike and at depth

On October 16, 2017: Metanor announced the extension of existing shear zones down to 400 meters toward the east, and intercepts 27.8 G/T Au over 3 metres. Pursuant to the results released August 28, 2017 an additional 24 holes have been drilled for a total of 11,163 metres.

SUBSEQUENT TO YEAR END

On September 29, 2017, the Company completed the transactions relating to the amending agreement with Sandstorm Gold Ltd., effectively reducing the existing gold stream on the Bachelor mine (which required the Company to sell 20% of its gold production at the fixed price of US\$500) and replacing it with a 3.9% net smelter return royalty (NSR) on all minerals produced from the Bachelor and Barry properties (includes the surrounding exploration properties held by the Company), of which 2.1% of the royalty can be repurchased upon payment of US\$2M for each property, thereby reducing the NSR to 1.8%. These new terms will become effective once the Company has delivered to Sandstorm, 12,000 ounces of gold at the fixed price of \$US500. As part of the consideration, the Company issued 3,164,156 common shares to Sandstorm, at the deemed price of \$0.77 per common share, for an aggregate value of \$2,436,400.

On October 10th, 2017, the Company filed a Notice pursuant to NI51-102 (available under the Company's profile at www.sedar.ca) advising of a change to its year-end from June 30th to December 31st.

Qualified Persons

Pascal Hamelin, P. Eng., President and Chief Operating Officer, 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 words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company, are intended to identify such forward-looking statements. Investors are cautioned that forward-looking statements are based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include, among others, the development of the Company's properties, and the further potential of, the Company's properties, the ability of the Company to successfully achieve business objectives, the impact of general business and economic conditions, fluctuating gold prices, changes in the Company's corporate mineral resources, changes in project development, permitting time lines, permitting and licenses, government regulation of the mining industry, environmental regulation and reclamation obligations, risks

relating to litigation, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update these forward-looking statements except as otherwise required by applicable law.

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

FOR ADDITIONAL INFORMATION:

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