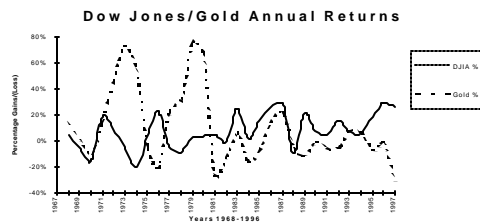




Gold & Technology Stocks



Weekly Hotline Message

(Now in our 25th Year)

January 25, 2008

New Gold Share Recommendation

Metanor Resources Inc.



Business: Exploration, development, and production of gold in Quebec

Traded TSX:	MTO
Pink Sheets:	MEAOF
Frankfort:	M3F.R
Shares Outstanding:	66.6 Million
Price 1/25/08:	\$0.835
Market Capitalization:	\$55.6 Million
Cash:	\$7 Million
Oz. Gold Resource:	1,038,000
Of Which 43-101:	938,000
Of Which Historical:	100,000
Progress Rating:	"A"
Telephone:	819-825-8678
Web Site:	www.metanor.ca

The recent turmoil in the financial and commodity markets has prompted investors to seek more safety in their portfolios. Of course, absolute safety is never to be found in any markets—not even in short-term U.S. Treasuries. But when it comes to gold and other mining firms, in general, companies that are either in production (Progress A companies) or those having completed economic studies and commencing production are safer than companies yet to identify a viable economic ore body. Long-time subscribers will note as this bull market continues to run, the number of “A” progress companies on our list continues to grow. Many of those companies have “graduated” from “B” progress firms to “A.” That always gives your editor a sense of satisfaction to know companies we picked at earlier stages of development have indeed succeeded in moving toward the ultimate goal of producing wealth from the ground.

Still, if we can find a new, undervalued producer without having recognized it at an earlier stage, we will quickly add them to our Progress “A” companies if we deem them undervalued. Metanor Resources is one such company that we are adding to our list this week. I met the management of Metanor in Vancouver on January 21.

Metanor is commencing production at its Bachelor Lake Property located in Le Sueur Township, 225 kilometers northeast of Val-d’Or, Quebec. The company holds 177 claims and 2 mining concessions totaling 4,837 hectares. In 2007, MTO acquired an additional 37 claims (1,636 hectares) east and adjacent to the property as well as a 70% interest in a property of 62 claims (2,529 hectares) located to the west. Suffice it to say that Metanor has assembled a large land package in what is known as the Abitibi Mining Camp. At the same time, the company has just commenced gold production from an open-pit mining of the Barry Deposit on its Bachelor Lake Property.

Thus far, the Barry Deposit measures 130 meters wide, and mining is taking place to a depth of 25 meters. However, the deposit is more or less a vertical deposit with a 65- to 70-degree dip. It is open in all directions and at depth. The average

grade is somewhere in the range of 6 to 8 grams per tonne, or approximately 0.2 to 0.25 ounces per tonne. Cost of production is expected to be around \$310 per ounce.

Investors who may not be familiar with deposits in this area of Quebec and Ontario should realize that gold deposits in this part of the country tend to extend to great depths. In fact, many if not most extend to depths beyond what is feasible to mine, though with more recent technologies, mining is now taking place at deeper and deeper levels. Given the exploration potential here, management is saying they have a target of identifying and/or mining at least 2 million ounces from their Bachelor Lake-Barry Deposits.

To start with, the company's Bachelor Lake Mill has a capacity to process 550 tonnes per day. Recoveries of gold are reportedly at around 97%, so if the company were operating at current capacity and running material through the mill, grading 0.20 oz. gold/tonne, of which 97% is being recovered, they would produce approximately 32,000 ounces per year for a 300-day year. If you assume \$850 gold and an operating cost of \$310, you would be left with a cash operating profit of around \$17 million.

As more resources are proven up, I'm looking for management to expand the size of its mill considerably. In fact, in my discussion with management this past weekend, they openly talked about plans to boost capacity to 750 tonnes per day and then later to 1,200 tonnes per day. In fact, the Bachelor Lake Mill is quite an asset in and of itself, because there are many gold projects in this part of the world that may be too small to justify the expense of building a mill but which could be economic using Metanor's mill. Reportedly, some 1.5 million ounces of gold have been discovered in this area of Canada from smaller deposits. I'm not suggesting Metanor will expand the size of its mill for the sake of custom milling as long as it has its own ore to mill. However, it is good to know the need in the area exists for additional milling capacity, because having a mill available could continue to generate cash flows if at one point in time a shortage of ore exists from Metanor's own projects.

Other Projects

While the immediate focus of the company is on Bachelor Lake, it is important to recognize this is no "one trick pony" company. The map on your left shows you the locations of several other properties of merit in Quebec and Ontario. At the nearby **Barry Property, a resource of approximately 179,000 ounces has been identified. At the Dubuisson Property, a resource of 468,000 ounces of gold** has been outlined. The resource on the Barry Property is considered to be amenable to open-pit mining. The **Opinaca Property** is an earlier-stage gold property with some very exciting surface assays (0.55 oz. over 52 ft. and 0.36 oz. over 75 ft. And the **Wahnapiitei Property**, located near Sudbury, Ontario, is a gold target that has shown some good indications of cobalt and nickel as well. One factor that excites us about the long-term prospects of Metanor is its seemingly excellent and extensive exploration potential combined with near-term production. If, as I believe, the gold bull market has at least several more years to run, we think it highly likely Metanor offers investors a very, very good opportunity for substantial long-term gains if its shares are acquired at anything close to their current price.

MANAGEMENT

Serge Roy, Chairman and Chief Executive Officer of Metanor. Before founding Metanor he was President of Ressources Pynor inc. He is a residential and commercial construction contractor. Previously, he has held various positions with companies, such as Construction G.P.M., Stabell Resources Inc. and Ovaltex Consultant inc. (mining consultants and geological engineers). Mr. Roy holds a construction contractor's licence from the Commission de la Construction du Quebec.

Ghislain Morin is President and COO. Mr. Morin participated in many feasibility studies with a view to implementation of mines, mining projects and mining product installation companies. Between 1981 and 1989, he founded Équpement Minier GRM Inc. for which he is now vice president. Mr. Morin has been involved in planning, management, monitoring, construction and evaluation of various mining projects since 1974.

Claude Imbeault is General Manager-Operations of the Bachelor Lake-Barry Complex. Mr. Imbeault is a known professional active in the mining industry for almost 40 years, namely involved in the production startup of numerous mining projects. Mr. Imbeault was recently general manager of Camroc, a mining development division of Cambior-Iamgold with a hundred employees. Further, he acquired expertise as superintendent of the Chimo and Pierre Beauchemin mines (Cambior), and also the Lake Shortt mine (Minnova) and Montauban mine (Muscocho).

Andre Tremblay is Metanor's director of exploration. He holds an bachelor's degree in geological engineering and a masters' degree in earth sciences (structure) from the Universite du Quebec in Chicoutimi. He's acted as a director of

exploration and/or various senior geologist positions with companies (as Ressources minières Coleraine, GeoNova Explorations, Gestion S.R.C. Inc., Groupe Minier O, Mines Camchib, Campbell Resources Inc.) in Abitibi and the Chibougamau area.

Diane Bournival is the Corporate secretary of Metanor. She is a member of the Chambre des notaires du Quebec since 1987. She holds a bachelor in law and a diploma in notarial science from the University of Montreal. She has practiced alone or in a partnership since 1987. In 1999, she became Director and Corporate Secretary of Matamec Explorations Inc. (a mineral exploration company listed on the TSX Venture Exchange). She has held the position of Regional Director of the Association des femmes d'affaires du Quebec (in Granby).

SUMMARY & CONCLUSION

Metanor is just now commencing production. I would suggest you make room for some tune-up problems that almost always occur when mining companies first put their projects into production. If, over the next year, management can overcome whatever technical difficulties may lurk ahead of them, we think this stock can be expected to rise dramatically from its current price level in the months to come. And given all the prospects it has in the pipeline, if it is successful in executing its business plan, I expect this small company will either get taken out at a higher price and/or develop into another household-name company, born out of eastern Canada's most prolific gold mining regions.

Of course success is never guaranteed. Mining is a hugely risky business, which is why the gains can be so phenomenal, especially during a bull market, when success occurs. But because of the risk inherent in this and any other stock, we want to remind our subscribers once again of our standing policy, which is to recommend you never allocate more than 5% of your portfolio to any one stock. From time to time you may wish you had put more into some of your more successful picks. But over the longer term, we think you will benefit most by avoiding extreme greed and simply following the good sense investment practice of diversifying your portfolio. We think Metanor could become a 10 bagger if it can begin generating cash flow from Bachelor Lake and then growing its gold production from internally generated cash flows. If they are successful in that regard, your 5% allocation will do wonders for your overall returns. If they are not successful, any decline in the price of this stock will not destroy your portfolio.

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