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February 14, 2014

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Please see back page for important disclosure information

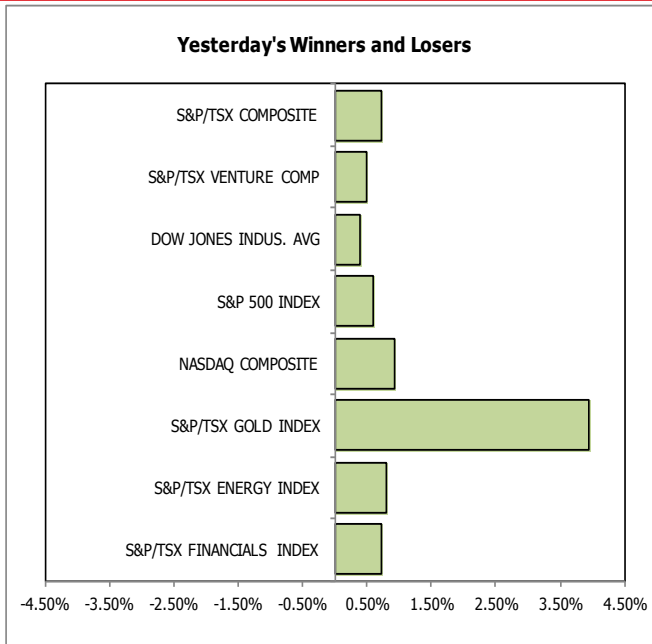
MORNING OUTLOOK

FEBRUARY 14, 2014

World Indices - As of Last Close	Price (\$)	1 Day Change %	MTD Change %	YTD Change %	1 Year Change %
DOW JONES INDUS. AVG	16,027.59	0.40	2.09	-3.31	14.70
S&P 500 INDEX	1,829.83	0.58	2.65	-1.00	20.27
NASDAQ COMPOSITE	4,240.67	0.94	3.33	1.53	32.58
S&P/TSX COMPOSITE	14,001.65	0.73	2.24	2.79	10.06
S&P/TSX 60 INDEX	887.61	0.65	2.18	2.42	9.89
S&P/TSX ENERGY INDEX	2,984.39	0.80	2.44	2.33	10.24
S&P/TSX GOLD INDEX	1,740.51	3.95	6.71	25.61	-23.02
S&P/TSX FINANCIALS INDEX	2,065.38	0.72	2.52	-1.19	13.34
S&P/TSX VENTURE COMP	986.45	0.48	3.69	5.85	-17.56
FTSE 100 INDEX	6,657.53	-0.03	2.26	-1.36	5.22
CAC 40 INDEX	4,312.80	0.17	3.53	0.39	17.53
DAX INDEX	9,655.51	0.61	3.75	1.08	26.53
NIKKEI 225	14,534.74	-1.79	-2.55	-10.78	28.54
HANG SENG INDEX	22,165.53	-0.54	0.59	-4.90	-13.73
Shanghai	2,098.40	0.59	3.21	-0.83	-13.73
S&P/ASX 200 INDEX	5,356.30	0.91	3.20	0.08	6.34

Commodity Spot Prices	Market Price @ 6:35am	Current Change %	MTD Change %	YTD Change %	1 Year Change %
GOLD	1,300	0.39	4.86	8.13	-20.51
SILVER	20.40	0.27	6.67	5.29	-32.81
COPPER	3.25	0.78	1.66	-4.31	-13.04
ZINC	0.92	0.25	2.82	-3.09	-6.65
URANIUM	35.70	0.00	-0.56	3.78	-17.27
CRUDE	100.05	0.13	2.63	1.66	2.20
BRENT	108.52	0.00	0.34	-2.75	-8.48
NATURAL GAS	4.63	1.74	-6.29	10.47	40.32

Source: Capital IQ, M Partners



Source: Capital IQ

COMPANY NEWS: Cynapsus Therapeutics Inc. (CTH – TSXV, \$1.01 | BUY \$1.90) announced the appointment of Nan Hutchinson to the Board of Directors. Ms. Hutchinson has more than 25 years of experience spanning all aspects of commercialization, including strategic planning, marketing, business development, sales leadership, talent identification and development at large pharmaceutical companies including Johnson & Johnson, Bristol-Myers Squibb, and most recently URL Pharma. Disclosure: 6

GuestLogix Inc. (GXI – TSX, \$1.30 | Under Review) announced an agreement to deploy its onboard retail technology platform including POS handheld devices onboard Norwegian Air Shuttle ASA. Norwegian is the third largest low-cost carrier in Europe based on passenger trips, and represents approximately 20.7 million annual passenger trips for GuestLogix. The company's solution will be used to accept credit cards onboard all European flights for the purchase of food and beverage, as well as duty free goods. Disclosure: None

INDUSTRY NEWS: Corridor Resources Inc. (CDH – TSX, \$1.72 | N/R) signed a letter of intent with the government of Quebec, **Petrolia Inc. (PEA – TSXV, \$0.77 | N/R)** and Etablissements Maurel & Prom S.A. to create a \$100 million joint venture that will appraise and potentially develop unconventional hydrocarbon resources on Anticosti Island, Quebec which is the lateral equivalent of the Utica Formation in Eastern Ohio. Resources Quebec will take a 35% stake in the JV, with Corridor, Petrolia, and M&P each taking 21.67%. The Phase 1 program is planned to commence in 2014 and requires the drilling of 15-18 stratigraphic wells in year one followed by at least three wells with multiple fracture stimulations in year two. The transaction is expected to close on or before March 31, 2014 but no later than April 30, 2014. Disclosure: None

POET Technologies Inc. (PTK – TSXV, \$0.91 | N/R) closed its \$5.0 million private placement comprised of 7.7 million units at \$0.65 per unit with each unit consisting of one common share and one warrant exercisable at \$1.00 for a period of two years. Net proceeds will be used to fund technology development, general and administrative expenses, and working capital. Disclosure: None

ECONOMIC DATA FOR FEBRUARY 14, 2014

U.S. – Export Prices ex-eg., Import Prices ex-oil, Industrial Production, Capacity Utilization, Michigan Statement

CDN – Manufacturing Sales (Dec)

EARNINGS FOR FEBRUARY 14, 2014

Enbridge Inc. (ENB), Just Energy Group Inc. (JE), TAG Oil Ltd. (TAO)

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ENTERPRISE GROUP, INC. (E-TSX, \$1.03)

Rating: BUY
12-Month Target: \$2.25

Q4/13 PREVIEW ~ "SHOW ME RESULTS" – PART 1

ENTERPRISE GROUP, INC.		TSX : E	
<i>(Currency is C\$ unless noted otherwise)</i>			
Closing Price February 13, 2014			\$1.03
12 Month Target Price			\$2.25
Dividend (annual)			\$0.00
Dividend Yield			0.0%
Potential Total Return			118.4%
52 Week Range		\$0.33 - \$1.07	
Average Daily Volume (100-Day)			660,473
MARKET INFO			
Market Cap (millions)			\$132.1
Enterprise Value (millions)			\$158.1
Shares O/S (000's)			110,640
Fully Diluted (000's)			128,227
FYE: DEC 31	2012	2013E	2014E
Revenue (millions)	\$18.5	\$36.8	\$90.0
Revenue Growth (%)	3.5%	98.8%	144.6%
EBITDA (millions)	\$4.4	\$10.6	\$35.7
EBITDA Margin (%)	23.5%	28.9%	39.7%
Fully Diluted EPS	\$0.04	\$0.10	\$0.19
Cash (millions)	\$1.2	\$19.8	\$0.2
Total Debt (millions)	\$13.2	\$20.4	\$16.3
VALUATION	2012	2013E	2014E
EV / EBITDA	9.2x	5.7x	4.4x
P/E (tax adjusted basis)	16.1x	14.4x	5.5x
Website: www.enterprisegrp.ca			
DISCLOSURE:			6
(Please refer to the applicable disclosures that are listed on the back page)			

Source: Thomson One, M Partners



COMPANY DESCRIPTION

Enterprise Group Inc. (E-TSX) is a diversified construction, utilities and oilfield services company with three operational business segments: TC Backhoe & Directional Drilling (which includes Calgary Tunnelling & Horizontal Augering Ltd.), Artic Therm (which includes Hart Oilfield Rentals) and E One Limited. Enterprise Group operates in western Canada with most of their revenue derived from the Province of Alberta. Enterprise Group is also a consolidator of similar businesses in western Canada which adds a growth by acquisition aspect to its organic growth strategy.

EVENT: Enterprise Group is expected to report its Q4/13 and year-end results early in March 2014 however much like it did with its Q4/12 results, we are anticipating the early release of some preliminary results (revenue, EBITDA and net income) in advance of the release of the full Q4/13 results. The company does not host a conference call but we will be talking to management subsequent to the release.

- It should be noted that **M Partners is the only firm providing research coverage on Enterprise Group**. There are no consensus estimates for the quarter as the M Partners estimates are the only estimates for the quarter.
- For Q4/13**, we are expecting Enterprise Group to report **fully diluted EPS** of \$0.03. Note the fully diluted weighted average shares outstanding have risen from 55.9 million shares last year in Q4/12 to 90.7 million in Q4/13. The year-over-year increase in earnings (as captured by the increase in net income) is attributable to the acquisition of Calgary Tunnelling & Horizontal Augering (CTHA), higher revenue driven by the organic growth at TC Backhoe, the creation of its equipment rental business, E One and the higher contribution from Artic Therm as a result of its expanded fleet (105 small units vs. 80 small units last year) in this seasonally strong quarter.
- Note the Q4/13 results will not include any revenue or earnings from its most recent acquisition, Hart Oilfield Rentals as that transaction closed on January 3, 2014. However, Enterprise Group did incur an estimated \$900,000 in costs associated with the equity financing which closed in December in advance of the closing of the Hart acquisition.

Year-ended 2014	Last Year in 2012	M Partners Estimates
<i>(in C\$ millions, except EPS)</i>		
Revenue	\$ 6.65	\$ 13.06
Gross Profit	\$ 3.40	\$ 6.67
<i>Gross Profit Margin</i>	<i>51.1%</i>	<i>51.1%</i>
EBITDA	\$ 2.30	\$ 5.10
<i>EBITDA Margin</i>	<i>34.5%</i>	<i>39.0%</i>
EBIT	\$ 2.02	\$ 4.14
Net Income	\$ 1.82	\$ 2.28
EPS - fully diluted, adjusted	\$ 0.03	\$ 0.03

Source: M Partners, Bloomberg

- Revenue** in Q4/13 is expected to increase to \$13.06 million, up from \$6.65 million in Q4/12. Revenue in Q4/13 will be driven higher by the addition of CTHA which we believe will add about \$5.9 million of incremental revenue, the expanded Artic Therm fleet, new contracts & territories at TC Backhoe and the ramp up of E One.
- Gross Profit** in Q4/13 is expected to increase to \$6.67 million, up from \$3.40 million in Q4/12. Our **Gross Margin** estimate is 51.1%, flat versus Q4/12 reflecting the addition of CTHA whose gross margins we believe, are similar to Enterprise's other business segments.
- EBITDA** in Q4/13 is expected to increase to \$5.10 million, up from \$2.30 million in Q4/12. Our **EBITDA margin** estimate is 39.0% versus 34.5% in Q4/12. The expected improvement in EBITDA margin versus last year is due to the leveraging of its fixed cost base as each segment grows revenue and the addition of CTHA.
- EBIT** is expected to reach \$4.14 million in Q4/13, up from \$2.02 million in Q4/12. The improvement in EBIT is expected to be driven by the higher revenue and the stronger EBITDA margin expected in Q4/13 as discussed above.

- We believe higher utilization rates at E One, the expansion of territories at TC Backhoe, the expansion of the Artic Therm fleet and the addition of CTHA will provide for strong results in Q4/13 for Enterprise Group. The Q4/13 results, excluding one-time costs, should provide a near term catalyst for what we believe is a "show me" stock at this stage.
- **For 2013**, we are expecting Enterprise Group to report **fully diluted EPS** of \$0.10 which includes one-time costs associated with the CTHA and Hart acquisitions that were made in 2013. Excluding these one-time costs, we estimate that fully diluted EPS for 2013 would be \$0.12. Note that 2013 EPS is based on a 76.6 million fully diluted weighted average share count. Our 2014 estimates are based on a 128.2 million fully diluted weighted average share count.

Year-ended 2013 (in C\$ millions, except EPS)	Last Year in 2012	M Partners Estimates
Revenue	\$ 18.50	\$ 36.79
Gross Profit	\$ 7.66	\$ 17.86
<i>Gross Profit Margin</i>	<i>41.4%</i>	<i>48.6%</i>
EBITDA	\$ 4.36	\$ 10.64
<i>EBITDA Margin</i>	<i>23.5%</i>	<i>28.9%</i>
EBIT	\$ 3.10	\$ 7.85
Net Income	\$ 2.49	\$ 7.85
EPS - fully diluted, adjusted	\$ 0.04	\$ 0.10

Source: M Partners, Bloomberg

DURING THE QUARTER

On **October 25, 2013**, Enterprise Group announced it had been awarded two contracts: a \$3 million / 20 month contract at TC Backhoe and a \$2 million contract at Calgary Tunnelling & Horizontal Augering (CTHA). TC Backhoe won a Hydro-Vac contract worth more than \$3 million with one of North America's largest pipeline and natural gas storage companies. In order to accommodate both this contract and future growth, Enterprise Group ordered eight Hydro-Vac units, which doubled the capacity of its existing fleet. TC Backhoe took immediate delivery of two units with the balance expected to be delivered in during Q1/14. The CTHA added approximately \$2.0 million to its \$8.4 million schedule (backlog) of construction projects, which includes a contract with one of Canada's largest railway providers. The CTHA project had an immediate start date. We estimate that the TC Backhoe contract is worth \$1.8 million in revenue in 2014 and the CTHA contract is also worth approximately \$1.8 million in 2014. Assuming a 40% EBITDA margin, we believe these contracts are worth \$1.44 million of EBITDA and about a \$0.01 of fully diluted EPS in 2014.

On **November 20, 2013**, Enterprise Group announced that it had increased its line of credit with PNC Bank of Canada to \$35 million, up from \$20 million. The primary use of funds from this increase was to fund the acquisition of Hart Oilfield Rentals and the cost of borrowing is prime + 2% which we believe is a great rate for a company the size of Enterprise Group.

On **December 4, 2013**, Enterprise Group announced the acquisition of Hart Oilfield Rentals and a \$15 million equity financing (at \$0.72 per share) to partially fund the acquisition. On **Friday, December 20, 2013**, Enterprise Group Inc. announced that it had closed on the \$15 million equity financing with closing of the Hart Oilfield Rentals acquisition expected to close in the new year. The total purchase price of Hart was \$22.6 million, comprised of \$1.0 million of common shares and \$21.6 million in cash, implying that Enterprise Group paid 3.1x trailing EBITDA. The \$15 million equity financing along with the \$15 million increase in Enterprise Group's credit facility facilitated both the acquisition and the \$7 million 2014 CAPEX program for Hart.

AFTER THE QUARTER

On **January 3, 2014**, Enterprise Group announced that it had closed on the acquisition of Hart Oilfield Rentals and on **January 13, 2014**, that it had fully integrated Hart Oilfield Rentals with its existing operations. Enterprise Group also increased the total expected 2014 CAPEX budget for Hart to \$9.4 million, up from the \$7.0 million originally planned. We viewed this as a positive as it suggests that the pipeline of work is stronger than management had initially anticipated when it acquired Hart in December 2013.

Finally, also on **January 13, 2014**, Enterprise Group announced that it had been awarded two contracts for its TC Backhoe business segment. The contracts include a \$1.3 million revenue contract which will last through 2016 (we are assuming \$650,000 of revenue in 2014 and 2015) and a \$1.2 million increase to an existing \$3.0 million contract that was won in October, now extending into Q2/15 (we are assuming \$2.5 million of revenue in 2014).

RECOMMENDATION

We are maintaining our BUY recommendation and our 12-month target price of \$2.25 on Enterprise Group which remains our Top Pick for 2014. Please refer to our Top Picks note dated January 9, 2014, titled, *2014 TOP PICK ~ 2013 ACQUISITIONS EXPECTED TO DRIVE STOCK HIGHER*, for further details.

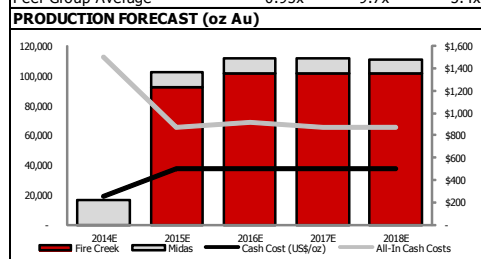
Our valuation is based on a 12.0x P/E multiple applied to our 2014 EPS of \$0.19 which translates into an 8.4x EV/2014 EBITDA multiple.

KLONDEX MINES LTD. (KDX – TSX, \$1.91)

Rating: Buy
12-Month Target: \$3.15

Drilling Continues to Highlight Fire Creek’s Resource Growth Potential

KLONDEX MINES LTD.		TSX:KDX	
<i>(Currency is C\$ unless noted otherwise)</i>			
Closing Price		\$1.91	
Target Price		\$3.15	
Potential Return		65%	
Net Asset Value Per Share		\$2.45	
52 Week Low / High		\$0.91 / \$1.91	
CAPITALIZATION		Basic	Diluted
Shares Outstanding (M)		122.4	146.1
Market Capitalization (\$MM)		\$233.8	\$279.1
Enterprise Value (\$MM)			\$270.0
Current Estimated Cash Balance (\$MM)		\$23.8	
Current Estimated Debt (\$MM)		\$60.0	
FYE: DEC 31	2013E	2014E	2015E
Gold Produced (000's oz)	0.0	16.8	102.4
Cash Costs (US\$ per oz)	\$0	\$254	\$501
All-In Cash Costs (US\$ per oz)	\$0	\$1,503	\$871
Operating Cost (\$MM)	\$0.0	-\$4.7	-\$57.1
CAPEX (\$MM)*	\$17.2	\$2.9	\$23.8
Gross Revenue (\$MM)	\$0.0	\$24.3	\$147.9
EBITDA (\$MM)	-\$3.7	\$13.5	\$84.1
Net Income (\$MM)	-\$4.0	-\$20.0	\$33.8
CFPS	-\$0.05	\$0.05	\$0.59
EPS	-\$0.06	-\$0.16	\$0.28
Cash At Year End	\$0.0	\$0.0	\$0.0
Debt At Year End	\$0.0	\$0.0	\$0.0
RELATIVE VALUATION		P/NAV	EV/EBITDA
<i>(Capital IQ Consensus)</i>			
		FY2014E	FY2015E
Klondex Mines Ltd.	0.78x	19.9x	3.2x
Allied Nevada Gold Corp.	1.52x	13.9x	9.2x
ATNA Resources Ltd.	0.65x	3.9x	3.9x
Brigus Gold Corp	1.37x	6.0x	5.8x
Lake Shore Gold Corp.	0.99x	4.8x	4.8x
San Gold Corporation	0.75x	9.7x	nm
Rubicon Minerals Corporation	0.71x	nm	nm
St Andrew Goldfields Ltd.	0.81x	nm	nm
Peer Group Average	0.95x	9.7x	5.4x



MAJOR SHAREHOLDERS

Management & Insiders (8.3%), K2 & Associates. (12.55%), Sun Valley Gold LLC (7.11%), U.. (7.01%), IG Investment Manag (5.47%), Van Eck Associates Corp (1.95%)

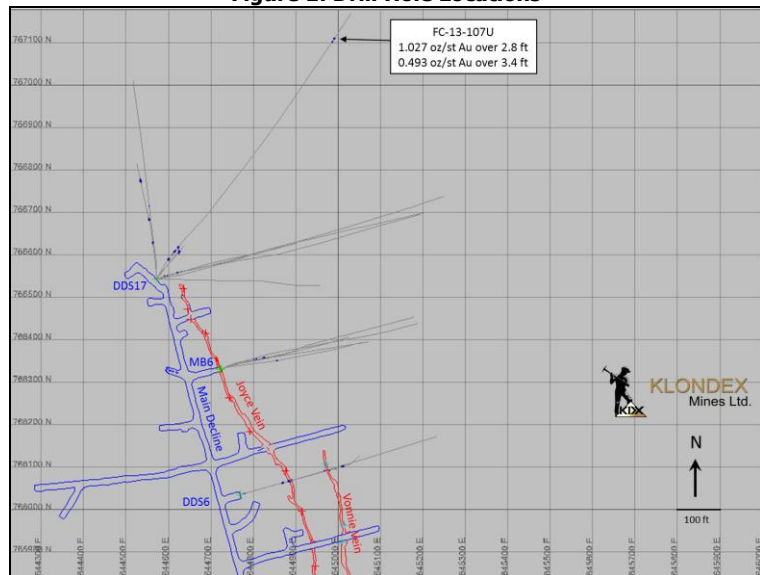
DISCLOSURE CODE: 1, 5, 6
(Please refer to the applicable disclosures listed on the back page)

Source: M Partners, Company Information, Capital IQ



Drill results continue to suggest resource growth is likely. Klondex released drill results from its Fire Creek project which included 166 g/t gold over 1.5 metres and 47 g/t over 2.5 metres. The results extended the Joyce and Vonnie veins to depth and the Joyce Vein to the north. As well, hole CF-13-107U intersected a new structure approximately 1,000 feet from existing infrastructure, highlighting the prospectivity of Fire Creek (Figure 1). Our current estimates include only limited resource growth but we may revise as the magnitude of the near-term growth potential becomes clear.

Figure 1: Drill Hole Locations



Source: Company Reports, M Partners

Pending PEA for Fire Creek likely to increase investor confidence. Klondex is expected to release the Fire Creek PEA in Q1 2014. With significant underground infrastructure in place and a milling solution secured, we expect the economics to be very robust. We believe that investors will be focused on the proposed mine plan, along with the capital and operating costs. We would expect that estimates in line or better than our relatively conservative estimates (Figure 2) should see the valuation gap to other producing peers begin to close.

Midas integration likely the focus of management near-term. While management is very familiar with the Midas operation, the integration of over 100 employees is expected to be time consuming. We believe that 2014 is likely to be a transition year as Midas is integrated and Fire Creek throughput is ramped up. For the full-year 2014, we model 35k oz of pre-commercial gold production from Fire Creek along with 34k gold equivalent ounces (16.8k oz Au and 1.06MM oz Ag) from Midas.

We maintain our Buy rating and 12-month target of \$3.15/share. Our target is derived by applying a 5.0x multiple to our 2015 EBITDA estimate of \$84.1MM. Klondex currently trades at 3.2x our 2015 EBITDA estimate versus North American producing peers at 5.4x. As well, Klondex trades at 0.78x NAVPS a discount to peers at 0.95x. We believe that as Klondex executes on the integration of Midas, along with continued exploration success and de-risking of Fire Creek, it should re-rate towards its peers.

POTENTIAL CATALYSTS AND EVENTS

- Q1 2014 – Fire Creek PEA
- FY 2014 – Updated mine plan at Midas
- Q1 2015 – Commercial production at Fire Creek

Figure 2: Fire Creek PEA Assumptions

	M Partners Estimate
Resource (k oz)	839
Head grade (g/t)	16.8
Dilution (%)	50%
Throughput (ramped up)	550
Average annual prod. (k oz)	99.0
Mine life (years)	7.75
Mining costs (\$/tonne)	\$150
Processing costs (\$/tonne)	\$90
G&A (\$/tonne)	\$10
Total cash costs (\$/oz)	\$535
Pre-tax NPV at 5% (\$MM)	\$496.2
Pre-tax NPV at 8% (\$MM)	\$441.2
Pre-tax NPV at 12% (\$MM)	\$381.5

*Estimates assume \$1,300/oz gold
Source: Company Reports, M Partners, Capital IQ

Figure 3: NAV & Target Price Breakdown

	Discount Rate	NAV (C\$MM)	NAV/Share	Multiple	Per Share
Fire Creek, Nevada (100%)	5.0%	\$496.2	\$4.05	1.00x	\$4.05
Midas, Nevada (100%)	5.0%	\$19.2	\$0.16	1.00x	\$0.16
Taxes	5.0%	(\$114.9)	(\$0.94)	1.00x	(\$0.94)
Corporate adjustments	5.0%	(\$100.4)	(\$0.82)	1.00x	(\$0.82)
		\$300.1	\$2.45	1.00x	\$2.45

Source: M Partners

Target	Value	Multiple	Weight	Per Share
1 year Forward, NTM EV/EBITDA	\$84.1	5.0x	100%	\$3.14

Source: M Partners

MARLIN GOLD MINING LTD. (MLN-TSXV, \$0.10)

Rating: **BUY**
Target: **\$0.20**

ALL BIG FISH START SMALL

MARLIN GOLD MINING LTD.		TSXV:MLN	
<i>(Currency is US\$ unless noted otherwise)</i>			
Closing Price		C\$0.10	
Target Price		C\$0.20	
Potential Return		100%	
Net Asset Value Per Share		C\$0.18	
52 Week Low / High		C\$0.05 / C\$0.11	
CAPITALIZATION		Basic	Diluted
Shares Outstanding (M)		680.0	687.0
Market Capitalization (\$MM)		\$68.0	\$68.7
Enterprise Value (\$MM)			\$51.7
Last Reported Quarter Cash (\$MM)			\$16.3
Total Debt (\$MM)			\$0.0
FY: DEC 31	FY2013E	FY2014E	FY2015E
Gold Produced (000's oz)	-	25.7	50.4
Cash Costs (\$ per oz)	-	\$1,022	\$677
All-In Cash Costs (\$ per oz)	-	\$1,524	\$890
CAPEX (\$MM)	\$26.7	\$6.0	\$1.4
Gross Revenue (\$MM)	-	\$37.1	\$72.8
EBITDA (\$MM)	(\$2.3)	\$1.8	\$29.9
CFPS	(\$0.01)	\$0.00	\$0.03
Adj. EPS	(\$0.01)	(\$0.01)	\$0.02
Year End Cash Balance (\$MM)	\$5.8	\$5.2	\$24.8
Year End Total Debt (\$MM)	-	-	-
RELATIVE VALUATION		P/NAV	EV/EBITDA
*Capital IQ Consensus			
		FY2015E	FY2016E
Marlin Gold Mining	0.55x	1.7x	1.4x
Argonaut Gold Inc.	0.94x	8.3x	3.9x
B2Gold Corp.	1.10x	6.5x	5.0x
Rio Alto Mining Limited	0.75x	3.5x	nm
Timmins Gold Corp.	0.79x	4.5x	4.6x
Peer Group Average	0.90x	5.7x	4.5x

INITIATING COVERAGE

- **Open pit heap leach gold operation in Mexico at 1.3 g/t offers low technical risk and high margin potential**
- **Funded to production and likely to re-rate as it completes the transition from developer to producer**
- **Management team operationally strong; significant shareholder brings capital markets experience**
- **Exploration potential suggest mine-life extension is likely; growth via acquisition could also be in the cards**

INITIATING COVERAGE – BUY, \$0.20 TARGET

We are initiating coverage of Marlin Gold Mining Ltd. with a **BUY** rating and one-year target price of **\$0.20 per share**, implying a rate of return of 100%. Our target price is based on an EV/EBITDA multiple of 4.5x applied to our next twelve months one year forward estimate of \$29.9MM. Our multiple is a discount to peers at 4.5x and a more traditional 6.0x multiple, reflecting Marlin's unique position of transitioning into production and a relatively short initial mine-life. Consistent operational performance at La Trinidad and some exploration success should cause the valuation gap between Marlin and similar South American gold producers to narrow. We note that Marlin is currently trading at 1.7x our 2015 EBITDA of \$29.9MM, a discount to its peers at 5.7x.

COMPANY HIGHLIGHTS

Re-rating potential as Marlin transitions from developer to producer. With 120,000 tonnes of ore on the leach pads and the first gold pour expected in Q1 2014, we expect Marlin to begin generating cash flow from operations imminently. We believe this change has yet to be reflected in Marlin's valuation, still trading at developer multiples. As Marlin currently trades at 1.7x our 2015 EBITDA estimate of \$29.9MM, we would expect steady operating performance to narrow the valuation gap between similar low cost South American producers which trade at 5.7x.

Open pit heap leach at 1.3 g/t gold offers outsized cash flow at low risk. Marlin's open pit heap leach gold operation offers low technical and jurisdiction risk, and high margin potential. The average grade of 1.3 g/t gold at La Trinidad is materially higher than nearby heap leach mines giving Marlin's relatively small production profile outsized cash flow potential. With estimated life of mine all-in cash cost of \$864/oz, we believe that once ramped up, La Trinidad should produce over 53,000 ounces of gold per year and generate \$27MM in operating cash flow per year.

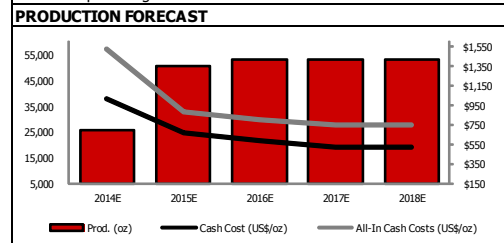
Management's proven track record reduces start-up risk. The management team is a group of experienced mine builders and operators including the Chairman Richard Hall, with 40 years experience including as CEO of Northgate (acquired by AuRico) and Chairman of Grayd Resources (acquired by Agnico) and CEO John Brownlie, with 35 years experience including as CEO of Capital Gold which built the El Chanate gold mine (acquired by AuRico).

Growth through the drill bit and via acquisition likely. The cash flow generated should provide the basis for exploration drilling on Marlin's highly prospective property, which is yet to be actively explored by current management. In addition, given management's track record of mine building, we would expect Marlin to take advantage of its free cash flow and historically low valuations to grow via acquisition.

UPCOMING CATALYSTS & MILESTONES

- Q1 2014 – First gold pour
- Q2 2014 – Restart of exploration on near-mine targets

For more information, please see our complete initiation report published today.



MAJOR SHAREHOLDERS

Management (0.36%), Wexford Capital LLC (79.42%), RBC Global Asset Manage. (1.3%), La Plata River Partn (0.05%)

DISCLOSURE CODE: none
(Please refer to the applicable disclosures listed on the back page)

Source: M Partners, Company Information, Capital IQ



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 - a. None
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Rating System	
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Hold:	Properly priced
Sell:	Price is inflated and expected to decrease
Under Review:	Not currently rated

Summary of Recommendations (as of January 2, 2014)		
Buy	38	84%
Hold	7	16%
Sell	0	0%
Total	45	100%