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January 14, 2014

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Please see back page for important disclosure information

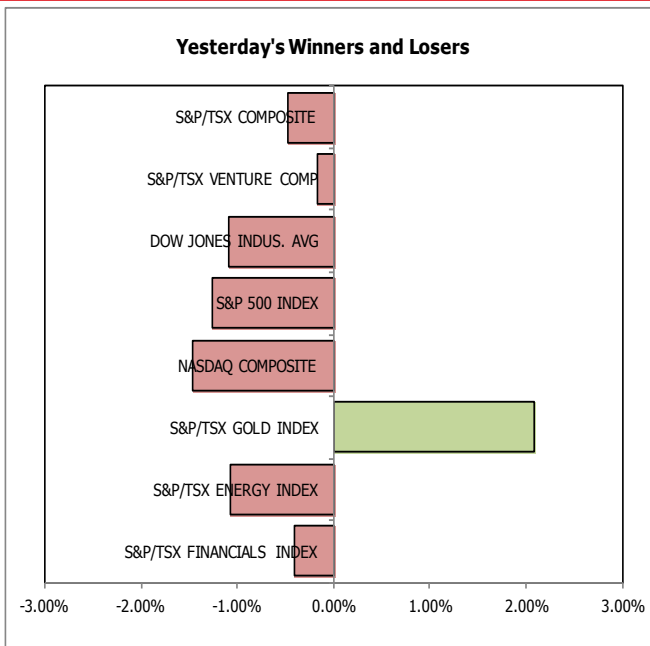
MORNING OUTLOOK

JANUARY 14, 2014

World Indices - As of Last Close	Price (\$)	1 Day Change %	MTD Change %	YTD Change %	1 Year Change %
DOW JONES INDUS. AVG	16,257.94	-1.09	-1.92	-1.92	20.36
S&P 500 INDEX	1,819.20	-1.26	-1.58	-1.58	23.70
NASDAQ COMPOSITE	4,113.30	-1.47	-1.52	-1.52	31.94
S&P/TSX COMPOSITE	13,681.48	-0.48	0.44	0.44	8.56
S&P/TSX 60 INDEX	870.79	-0.47	0.48	0.48	8.90
S&P/TSX ENERGY INDEX	2,891.15	-1.08	-0.87	-0.87	7.40
S&P/TSX GOLD INDEX	1,517.03	2.08	9.48	9.48	-38.52
S&P/TSX FINANCIALS INDEX	2,070.13	-0.40	-0.96	-0.96	16.60
S&P/TSX VENTURE COMP	964.88	-0.17	3.53	3.53	-21.52
FTSE 100 INDEX	6,741.58	-0.23	-0.11	-0.11	10.38
CAC 40 INDEX	4,263.27	0.30	-0.76	-0.76	14.97
DAX INDEX	9,458.00	-0.55	-0.99	-0.99	22.36
NIKKEI 225	15,912.06	0.00	-2.33	-2.33	47.31
HANG SENG INDEX	22,888.76	0.19	-1.79	-1.79	-2.24
Shanghai	2,009.56	-1.70	-5.03	-5.03	-13.07
S&P/ASX 200 INDEX	5,212.00	-1.51	-2.62	-2.62	10.43

Commodity Spot Prices	Market Price @ 6:35am	Current Change %	MTD Change %	YTD Change %	1 Year Change %
GOLD	1,251.10	0.34	4.06	4.06	-25.06
SILVER	20.39	0.80	5.24	5.24	-34.47
COPPER	3.35	0.15	-1.47	-1.47	-7.91
ZINC	0.92	0.77	-2.40	-2.40	1.98
URANIUM	35.05	0.00	1.89	1.89	-16.55
CRUDE	92.01	-1.01	-6.51	-6.51	-2.73
BRENT	105.97	0.00	-5.04	-5.04	-4.25
NATURAL GAS	4.22	5.05	0.74	0.74	25.04

Source: Capital IQ, M Partners



Source: Capital IQ

COMPANY NEWS: Klondex Mines Ltd. (KDX – TSX, \$1.74 | BUY \$3.00) expanded its Nevada operations team with the addition of Mr. John Marma as Chief Geologist and Mr. Lee Morrison as Safety Supervisor. Mr. Marma adds 17 years of experience and was most recently at Newmont Mining Corp. (NEM – NYSE | N/R). He will lead and mentor the geology team in production and exploration. Mr. Morrison brings over 35 years of management experience in the safety, security and human resource areas. He most recently worked at the Hollister mine, and prior to that the Midas mine from 1999-2007. Disclosure: 1, 5, 6

INDUSTRY NEWS: Luna Gold Corp. (LGC – TSX, \$1.35 | N/R) has temporarily halted operations at the Aurizona gold mine, in Maranhao, Brazil because access to the mine has been constrained as local community members demonstrate against the local government. In order to ensure the safety of the company's workers and to protect its assets, Luna has decided to temporarily suspend mine operations until this situation is resolved and deemed safe for employees to return to work. The company is optimistic the parties will reach agreement soon and the mine will recommence normal operations. Luna will provide updates as the situation develops and is resolved. Disclosure: None

Osisko Mining Corp. (OSK – TSX, \$6.24 | N/R) announced its Board of Directors will consider the offer made yesterday by **Goldcorp Inc. (G – TSX, \$25.04 | N/R)** as well as any other formal offer actually made. Goldcorp announced yesterday an offer to acquire Osisko for 0.146 of a Goldcorp common share plus \$2.26 in cash for each Osisko share, valuing Osisko at \$5.95 per share. Until Osisko completes its review, it will not comment further or speculate as to any future course of action it might take. If an offer by Goldcorp is commenced, Osisko will send a directors' circular to shareholders. Disclosure: None

Rambler Metals & Mining Plc. (RAB – TSXV, \$0.495 | N/R) has delivered approximately 6,608 wet metric tonnes of copper and gold concentrate from Goodyear's Cove in Newfoundland at an average grade for the shipment of 28.28% copper, 7.36 g/t gold and 51 g/t silver. This is the fifth shipment as part of an off-take agreement with Transamine Trading SA and brings the total amount delivered to approximately 32,300 wmt to date. Production at the mine continues at a steady pace while copper recovery at the mill is averaging greater than 95%, approximately 2% above budgeted forecasts. Disclosure: None

ECONOMIC DATA FOR JANUARY 14, 2014

U.S. – Retail Sales, Retail Sales ex-auto, Export Prices ex-ag., Import Prices ex-oil., Business Inventories

CDN – Teranet/National Bank HPI (Dec)

EARNINGS FOR JANUARY 14, 2014

Bauer Performance Sports Ltd. (BAU)

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CYNAPSUS THERAPEUTICS INC. (CTH – TSXV, \$0.86)

Rating: Buy
Target Price: \$1.90

REDUCING PARKINSON'S FREEZING EPISODES IN A "CYNAP"

INITIATING COVERAGE - BUY

We are initiating coverage of Cynapsus Therapeutics Inc. with a **Buy** recommendation and a **\$1.90** twelve month price target.

INVESTMENT THESIS

LOW COST, SHORT TIMELINE TO COMMERCIALIZATION

Cynapsus' current enterprise value is almost half as much as our estimate of its lead drug candidate's first full year of U.S. sales in 2017. We estimate that the company needs \$20-25 million to develop its drug up to a New Drug Application with the FDA and tap into a \$2.5 billion market if approved. The company expects a **lucrative exit strategy** with an upfront licensing fee, milestone payments, plus sales royalties or outright acquisition **within two to three years.**

DEFINED DE-RISKED REGULATORY PATHWAY

Cynapsus is developing its lead candidate drug, APL-130277, via a defined, lower risk FDA 505(b)(2) regulatory pathway **using an already approved safe drug** for Parkinson's disease. Cynapsus is pursuing an efficacy pathway to generate its own drug label, and **we believe that payers and insurers will reimburse** this product since early results have shown a **better adverse effect profile and longer duration** of effect compared to the already approved drug, Apokyn. Patients would take multiple doses per day once commercialized.

LARGE AND GROWING MARKET

Parkinson's affects 1% of people over age 60 and 4% over 80. The patient population will grow as a result of the relatively faster growth of the elderly population.

DISRUPTIVE TECHNOLOGY FOR BETTER DELIVERY

According to Poewe and Mahlknecht's "Emerging Therapies For Parkinson's Disease", apomorphine acts very quickly and is the only dopamine agonist that exhibits a similar effect on the motor symptom difficulties as the gold standard drug levodopa. The **ease of use of a thin film strip** could bring more physicians and patients on board.

FILLS A NEED; PHYSICIANS WOULD PRESCRIBE A "FAST-ON" TREATMENT

Cynapsus' drug candidate would provide easier-to-use rescue treatments and a fast "on" treatment for "off episodes" (aka "freezing") compared to the often painful and irritating injection of the approved apomorphine drug Apokyn; **"off episodes" occur 1 to 6 times per day** and can last 30 to 120 minutes during which patient is unable to control motor functions and may be completely immobilized. When patients wake up first thing in the morning, they need a fast "on" to restore motor function especially when dopamine levels have sharply dropped over the course of a night's sleep. According to Cynapsus' survey of 500 neurologists and movement disorder specialists ("the Survey"), physicians show resistance to prescribing apomorphine in its current form citing inconvenience of injection and a complex initiation of therapy procedure.

VALUATION

We value Cynapsus shares on a NAV per share basis using a present value of terminal net cash flow of \$76.0 million, a 5% terminal growth rate, and 23% discount rate to derive our twelve month target price of \$1.90. We base our valuation on a stream of royalties paid to the company starting after FDA approval expected in 2016.

KEY ESTIMATES

We assume the Parkinson's Disease patient population consists of 1% of the population over age 65 and is segmented into Mild, Moderate, and Severe based on the Survey, see Figure 3 for further details. We assume that Mild, Moderate, and Severe patients eligible for apomorphine take one, two, and three doses daily, respectively, priced at \$7 per dose. We assume a 15% royalty rate on future sales by a pharmaceutical partner, and upfront and milestone payments on commercial sales.

UPCOMING CATALYSTS

- CTH300A results Q3/14 and CTH300B results Q4/14

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

CYNAPSUS THERAPEUTICS INC.		TSXV:CTH				
<i>(Currency is C\$ unless noted otherwise)</i>						
MARKET INFO						
Last Price						\$0.86
12 Month Target Price						\$1.90
Return To Target						121%
52-Week Trading Range						\$0.27 - \$1.00
Shares Outstanding (m)						38.88
Warrants (m)						21.55
Options (m)						2.69
Market Capitalization (\$m)						\$33.4
Enterprise Value (\$m)						\$30.0
FYE: DEC 31	2012A	2013E	2014E	2015E	2016E	
Revenue (\$m)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
EBITDA	(\$2.15)	(\$3.80)	(\$9.20)	(\$15.20)	(\$2.60)	
R&D Expenses	\$0.73	\$1.20	\$6.00	\$12.00	\$0.00	
Cash (\$m)	\$0.05	\$2.17	\$0.72	\$5.46	\$12.55	
Net Debt	\$4.01	(\$0.37)	\$1.08	(\$3.66)	(\$10.75)	
EPS	(\$0.22)	(\$0.13)	(\$0.22)	\$0.08	\$0.11	
MOST RECENT QUARTER						
						Sep-13
EBITDA						(\$1.13)
Revenue (\$m)						\$0.00
R&D Expenses						\$0.40
Cash (\$m)						\$3.41
Net Debt						(\$3.41)
EPS						(\$0.12)
VALUATION						
	2012A	2013E	2014E	2015E	2016E	
P/Sales	-	-	-	-	-	-
P/EPS	(3.8x)	(6.4x)	(4.0x)	10.4x	7.6x	
EV/EBITDA	(14.0x)	(7.9x)	(3.3x)	(2.0x)	(11.6x)	
EV/Sales	-	-	-	-	-	-
MAJOR SHAREHOLDERS						
Dexon Holdings Inc. (19.57%), Giovinazzo, Anthony J. (3.76%), Williams, Andrew (0.3%), Bryson, Nathan (0.05%), Ryley, Alan D. C. (0.05%), Stenzler, Rochelle (0.01%)						
DISCLOSURE CODE:						
						6
<i>(Please refer to applicable disclosures on the back page)</i>						

Source: Company Reports, M Partners, Capital IQ



COMPANY DESCRIPTION

Cynapsus Therapeutics Inc. is a clinical stage specialty pharmaceutical company reformulating apomorphine into a thin-film strip delivered under the tongue for rescue therapy for freezing episodes of Parkinson's Disease.

ENTERPRISE GROUP INC. (E-TSX, \$0.80)

Rating: **BUY**
12-Month Target: **\$2.25**

HART INTEGRATED; TC BACKHOE WINS NEW CONTRACTS

ENTERPRISE GROUP, INC.		TSX : E	
<i>(Currency is C\$ unless noted otherwise)</i>			
Closing Price January 13, 2014			\$0.80
12 Month Target Price			\$2.25
Dividend (annual)			\$0.00
Dividend Yield			0.0%
Potential Total Return			181.3%
52 Week Range			\$0.22 - \$0.89
Average Daily Volume (100-Day)			512,705
MARKET INFO			
Market Cap (millions)			\$90.6
Enterprise Value (millions)			\$116.6
Shares O/S (000's)			108,640
Fully Diluted (000's)			113,227
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	\$0.11	\$0.19
Cash (millions)	\$1.2	\$20.4	\$0.2
Total Debt (millions)	\$13.2	\$20.4	\$16.3
VALUATION	2012	2013E	2014E
EV / EBITDA	9.2x	11.0x	3.3x
P/E (tax adjusted basis)	16.1x	10.3x	4.3x
Website: www.enterprisegrp.ca			
DISCLOSURE:			5, 6
<i>(Please refer to the applicable disclosures that are listed on the back page)</i>			

Source: Thomson One, M Partners

EVENT: Enterprise Group issued a press release yesterday confirming the completion of the integration of Hart Oilfield Rentals as well as two contract wins for TC Backhoe.

- In our Top Picks note dated January 9, 2014, titled, *2014 TOP PICK ~ 2013 ACQUISITIONS EXPECTED TO DRIVE STOCK HIGHER*, we highlighted that there is little integration risk relating to the Hart acquisition. We believe yesterday's announcement that Enterprise Group fully integrated Hart a mere 10 days after closing on the acquisition validates our assertion.
- The company also announced that the total expected 2014 CAPEX in Hart is to be \$9.4 million; \$2.4 million higher than the \$7.0 million originally planned for Hart. We view the additional CAPEX spend as a positive as it suggests that the pipeline of work is stronger than management had initially anticipated a month ago.
- Management confirmed that full-year results from Hart are expected to be \$29.9 million of revenue and \$12.0 million of EBITDA once the fleet is expanded. We are modeling \$29.9 million of revenue and \$12.0 million of EBITDA for 2014 which could make our estimates a little heavy given the fleet will be expanded in the coming months. However, since the majority of the work would be done after the winter thaw, we are standing by our estimates. Having said that, we believe our Artic Therm estimates could be slightly conservative given its expanded fleet of 102 small heaters, up from 80 units last winter. We are not modelling full utilization of this 102 unit heater fleet, however, given the severe cold winter experienced this year, we believe this fleet will be fully utilized for the entire winter season. Thus we believe the extent to which we may be slightly heavy with our 2014 Hart estimates will be offset by stronger Artic Therm results, leading us to maintain our current, full-year consolidated estimates for Enterprise Group.
- Finally, Enterprise announced a \$1.3 million (revenue) contract win at TC Backhoe which will last through 2016 (assume \$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 and extends into Q2/15 (assume \$2.5 million of revenue in 2014). The contract win and the increase in the existing contract continue to point to the strength in its end markets in western Canada. We are not changing our estimates as we are treating these small contract wins as part of the \$19.15 million in revenue we are expecting TC Backhoe to generate in 2014.
- The table below summarizes our 2014 estimates for each segment.



2014 ESTIMATES	Hart Oilfield Rentals Acquisition	CTHA Acquisition	TC Backhoe	6 New Units @ Artic Therm	Rest of Artic Therm + E One	Consolidated 2014 Estimates
Revenue	\$ 29.9 million	\$ 19.5 million	\$ 19.2 million	\$ 10.3 million	\$ 11.1 million =	\$ 90.0 million
EBITDA	\$ 12.0 million	\$ 7.8 million	\$ 6.7 million	\$ 4.4 million	\$ 4.8 million =	\$ 35.7 million
EPS - fully diluted *	\$ 0.05	\$ 0.04	\$ 0.04	\$ 0.02	\$ 0.03 =	\$ 0.19
Valuation Multiple	Current Target Price =					\$ 2.25
Forward P/E = 12 x	→ Value from Hart, CTHA & 6 new Artic Therm units =					\$ 1.20
Value of Legacy Businesses (excluding impact of six new Artic Therm units) =						\$ 1.05

* Due to rounding, the sum of the segments does not add up to the consolidated EPS estimate of \$0.19.

Source: M Partners Estimates

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.

- Our confidence in our 2014 estimates is derived from the visibility we already have with respect to each business segment.
 - management is guiding to full year revenue of \$29.9 million and EBITDA of \$12.0 million at Hart,
 - management is guiding to a \$25.0 million revenue run-rate from CTHA a year after closing on the acquisition; our \$19.5 million 2014 revenue estimate, we believe, is in line with management's trajectory to \$25.0 million,
 - more than 50% of our TC Backhoe and CTHA 2014 revenue estimate is represented in the company's \$20 million Utilities/Infrastructure Construction backlog,

January 14, 2014

- the addition of six 3-million BTU heating trucks (up from four such trucks at the start of 2013) at Artic Therm is expected to generate \$10.26 million of revenue, \$4.41 million of EBITDA (EBITDA margin of 43.0%) and about \$0.02 of fully diluted EPS, based on a fully diluted share count of 113.23 million shares. With four of these six units rented for the winter season heading into December; our expectation is that all six units will be fully utilized in calendar 2014.
- Thus 2014 will very much be a "show me" year for Enterprise Group as the markets will be looking to the company to hit (or come close to hitting) the milestones for the various business segments as we've laid out above. The company did acquire profitable entities in CTHA and Hart, however we believe **current valuations in no way reflect these acquisitions** given that Enterprise Group is trading at 4.3x on a 2014 P/E basis and 3.3x on a EV/2014 EBITDA basis.
- With little or no integration risk given the profitable and stand alone nature of these businesses, we believe the stock is on the verge of an upward breakthrough as the company proves out the earnings capabilities of the acquisitions.

RECOMMENDATION

We maintain our BUY recommendation and \$2.25 12-month target price on Enterprise Group which remains our Top Pick for 2014.

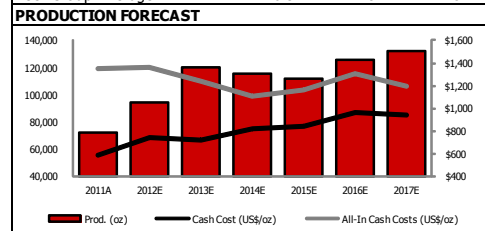
Our valuation is based on a 12.0x P/E multiple applied to our 2014 EPS estimate of \$0.19 which translates into a 7.8x EV/2014 EBITDA multiple.

TIMMINS GOLD CORP. (TMM-TSX, C\$1.37)

Rating: Buy
12-Month Target: C\$1.90

RECORD PRODUCTION RESULTS IMPROVE LIKELIHOOD OF Q4 FCF

TIMMINS GOLD CORP.		TSX:TMM	
<i>(Currency is US\$ unless noted otherwise)</i>			
Closing Price		C\$1.37	
Target Price		C\$1.90	
Potential Return		39%	
Net Asset Value Per Share		C\$1.80	
52 Week Low / High	C\$1.00 /	C\$3.09	
CAPITALIZATION		Basic	Diluted
Shares Outstanding (M)	144.5	153.3	
Market Capitalization (\$MM)	\$197.9	\$210.1	
Enterprise Value (\$MM)		\$204.9	
Last Reported Cash (\$MM)		\$14.4	
Total Debt (\$MM)		\$21.4	
FYE: DEC 31	FY2012A	FY2013E	FY2014E
Gold Produced (000's oz)	94.1	120.0	115.4
Cash Costs (\$ per oz)	\$743	\$715	\$823
All-In Cash Costs (\$ per oz)	\$1,363	\$1,243	\$1,105
CAPEX (\$MM)	\$34.3	\$51.6	\$10.0
Gross Revenue (\$MM)	\$156.1	\$166.1	\$159.6
EBITDA (\$MM)	\$67.6	\$64.3	\$46.1
CFPS	\$0.41	\$0.44	\$0.21
Adj. EPS	\$0.25	\$0.25	\$0.15
Year End Cash Balance (\$MM)	\$24.2	\$22.9	\$42.4
Year End Total Debt (\$MM)	\$18.0	\$21.1	\$19.9
RELATIVE VALUATION		P/NAV	EV/EBITDA
*Capital IQ Consensus			
		FY2013E	FY2014E
Timmins Gold Corp.	0.76x	3.2x	4.4x
Argonaut Gold Inc.*	0.87x	9.9x	8.7x
Alamos Gold Inc.*	1.01x	8.1x	11.1x
B2 Gold Corp.*	0.87x	8.2x	8.2x
Primero Mining Corp.*	0.98x	6.4x	4.3x
Peer Group Average	0.94x	8.2x	8.1x



MAJOR SHAREHOLDERS
Management (4.42%), Sentry Select Capital Corp. (17.29%), Van Eck Associates Corp. (10.45%), Connor, Clark & Lunn I. (4.35%), RBC Global Asset Manageme. (4.19%), Sprott Asset Management, . (3.13%)

DISCLOSURE CODE: 6
(Please refer to the applicable disclosures listed on the back page)
Source: M Partners, Company Information, Capital IQ



Company Description: Timmins Gold Corp. is low cost, heap leach gold producer with operations and exploration property in Mexico. Its flagship asset San Francisco is located along the historic Sonoro gold trend.

Record production results slightly ahead to expectations. Timmins produced 34,166 ounces of gold in Q4 2013 which compares to our estimate of 32,100 ounces. Annual gold production in 2013 totaled 119,655 ounces at a grade of 0.82 g/t, which was slightly ahead of the company's 118,000 ounce guidance and our 117,900 estimate.

Higher grades benefit cost estimates and improve confidence in Q4 FCF. For the quarter the average grade processed of 0.87 g/t was ahead of our 0.79 g/t estimate. This 10% increase in grade has resulted in a 9.2% reduction to our cash costs estimates, resulting in adjustments to our financial expectations for the quarter (Figure 1). We now expect Timmins to generate \$8.5MM in FCF this quarter (was \$7.2MM).

	M Partners		Previous Consensus				
	Q4 2013E	Q4 2013E	Q4 2013E	Q3 2013A	Q2 2013A	Q1 2013A	Q4 2012A
Gold Produced (000's oz)	34.2	32.1		29.1	28.0	28.6	24.2
Average Tonnes per Day	21,902	24,000		19,736	20,317	19,858	16,228
Strip Ratio	2.63	2.40		3.00	3.37	3.57	3.55
Grade (g/t)	0.87	0.79		0.77	0.81	0.83	0.82
Cash Costs (\$ per oz)	\$712	\$784		\$738	\$705	\$703	\$760
All-In Cash Costs (\$ per oz)*	\$995	\$1,078		\$1,235	\$1,443	\$1,467	\$1,549
CAPEX (\$MM)	\$5.5	\$5.5		\$10.3	\$17.0	\$18.8	\$17.3
Gross Revenue (\$MM)	\$42.3	\$40.8	\$39.5	\$38.1	\$35.1	\$45.9	\$40.6
CFPS	\$0.10	\$0.09	\$0.09	\$0.10	\$0.08	\$0.16	\$0.05
EBITDA (\$MM)	\$15.7	\$13.4	\$12.4	\$13.3	\$12.5	\$22.8	\$18.5
Adj. EPS	\$0.07	\$0.06	\$0.05	\$0.03	\$0.05	\$0.10	\$0.08
Period End Cash Balance (\$MM)	\$22.9	\$21.6		\$14.4	\$14.4	\$26.9	\$24.2

*AICC = (TCC + (All Capex + Exploration + SG&A + Cash Taxes)/Ounces Produces)
Source: Company Reports, M Partners, Bloomberg, Capital IQ

Modestly increasing 2014 estimates based on better than expected guidance. Timmins announced 2014 production guidance of 115,000 to 125,000 oz gold at cash costs of approximately \$800/oz. We are now looking for 115,400 ounces of gold at total cash costs of \$823/oz (was 110,100 oz gold at \$887/oz). We have modestly increased our recovery estimates to 67% (was 65%) and a slight increase to our estimated grade 0.60 g/t (was 0.59 g/t). We note that Timmins' cash cost estimates exclude the impact of the new Mexican mining royalties, while our estimates include them. The Mexican mining royalties add \$46/oz to our cost estimates.

Free cash flow expected to continue in 2014. Grades are expected to decline from 0.82 g/t in 2013 to 0.60 g/t in 2014, which is partially offset by an increase in expected throughput to 24,000 tpd (20,455 in 2013). The primary reason for the grade decline is management's plan to progressively eliminate stockpiling and process the lower grade ore. We believe that with expansion spending behind them, Timmins should generate FCF in 2014. Using US\$1,300/oz Au, we now model Timmins generating \$19.5MM in FCF in 2014 (was \$15.1MM) and finishing the year with \$42.4MM (was \$36.6MM), leaving them well positioned to repay the Sprott Loan in Q1 2015.

Q4 2013 financial results the next step in the re-rating process. Converting, record results into FCF is next milestone to improve investor confidence in Timmins operations. Financial results are likely to be released in late February or early March.

We are maintaining our BUY recommendation and our 12-month target price of C\$1.90/share. Our target price is based on 6.0x our next twelve months, one year forward EBITDA of \$42.0MM (was \$41.9MM). Timmins is currently trading at 4.4x our 2014 EBITDA estimate or 0.76x NAV (NAVPS increases from \$1.77 to \$1.80), which compares to low-cost heap leach producers at 8.1x and 0.94x. We believe that as Timmins continues to demonstrate its ability to generate FCF over both the near and long-term, it should re-rate towards similar cost structure peers which trade at a premium.

POTENTIAL CATALYSTS AND EVENTS

- Q1 2014: Q4 2013 financial results showing FCF
- Q1 2014: Demonstrating the ability to generate FCF at lower grades.
- 2016: Crushing capacity expansion to 30,000 tpd

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100 Wellington Street West
Suite 2201
Toronto, Ontario
M5K 1K2
Canada
416-603-4343

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 - a. None
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Rating System	
Buy:	Price expected to rise
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%