

DNA PRECIOUS METALS, INC.

Gold and Silver Mining Player on Cusp of Major Production

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DNA PRECIOUS METALS, INC. (OTCQB - DNAP - \$0.354)

Price Target: \$1.20

Rating: Speculative Buy

COMPANY SNAPSHOT

DNA Precious Metals, Inc. is a developing gold and silver mining and production company with exploration properties located in Portneuf County, Quebec, Canada about 50 miles northwest of Quebec City. The main site is the Montauban Tailings Mine Property located at Notre-Dame-de-Montauban. DNA has 65 mining claims on approximately 1500 acres of these sites. Production will commence in the coming quarters.

KEY STATISTICS

Price as of 3/5/14	\$0.354
52 Week High – Low	\$0.699 – \$0.27
Est. Shares Outstanding	96.1M
Market Capitalization	\$34.0M
3 Mo Avg Vol	26,000
Exchange	OTC:QB

COMPANY INFORMATION

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INVESTMENT HIGHLIGHTS

With the infrastructure, processing, and most of the permitting in place, DNA Precious Metals is on the cusp of commencing gold and silver production in the coming months. DNA has 65 mining claims on approximately 1500 acres of these sites and production will begin following the closing of a credit facility and the procurement of equipment.

DNA Precious Metals has a first-mover advantage over other firms in the region. DNA is one of the first companies to start projects in Quebec, in an area that has just recently been re-opened to mining exploration. The Montauban region is a historically rich mining area with proven past exploration.

DNA is the only mining company in Canada with a primary focus on bringing a tailings residue site into commercial production. DNA is taking a unique approach by focusing on the extraction of gold and silver from of approximately 2.5 million tons of mining residues, not high grade ore. This presents a very viable low cost alternative to traditional methods.

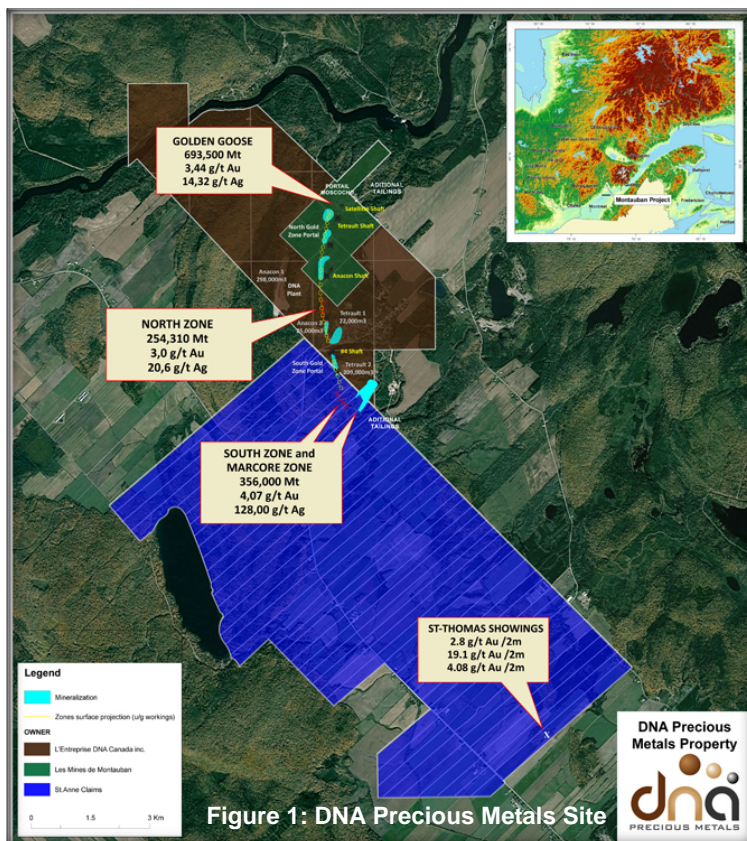
With its focus on exploitation rather than exploration, DNA can achieve production cash flow faster than many of its peers since a tailings residue site with a mineralized gold and silver deposit has a low capital cost. Given the total resource potential, including measured resources, inferred tailings and near surface resources, the economic potential is great, with an estimated \$234M in gold, silver and mica.

With all key infrastructures in place, a first-mover regional advantage, and a low-cost exploitation production approach, DNA's profile and market value are primed to rise substantially upon the commencement of production. With a low relative market value, we rate these shares Speculative Buy with a \$1.20 price target.

DNA PRECIOUS METALS, INC. (OTCQB - DNAP)

COMPANY OVERVIEW

DNA Precious Metals, Inc. (OTCBB: DNAP) is a developing gold and silver mining and production company with properties located in Portneuf County, Quebec, Canada about 50 miles northwest of Quebec City. The Company aims to be a unique near term tailings producer with a mill building in place and a permitted mine waste facility. *Figure 1* is combination image of the sites and map showing the location relative to the region. The main site is the Montauban Tailings Mine Property located at Notre-Dame-de-Montauban.



In June of 2011, DNA Precious Metals Inc. completed the first acquisition of its Montauban exploration properties located in the Portneuf County, Quebec, Canada, based on a report estimating an historical resource of 47,198 ounces of gold and 480,998 ounces of silver on the Montauban Project. The resource totals are in reference to a portion of the gold bearing surface ore over a distance of approximately 600 meters in length. Separately, there was a total production of 160,000 tons of lead and zinc combined historically on the property, which at today's prices, equates to \$300 million.

DNA has 65 mining claims on approximately 1500 acres of these sites. DNA has worked with local and regional authorities to obtain related environmental and mining permits necessary approvals to begin production on these sites including an authorization certificate to process mining residues. In the near term, and we believe that the Company will soon be issued full permits

on the site. In addition, the Company has completed construction of all access roads to and from the new milling facility. The newly erected milling facility consists of an industrial steel structure building totaling 16,000 square feet. The power line source to the milling facility totaling 1.3 kilometers has also been completed. Once operational, the on-site milling facility will enable DNA Precious Metals Inc. to lower production costs substantially and thus increase profit margins considerably. Therefore, all key infrastructures are already in place, which substantially reduces the risk in DNA, relative to its peers. This is especially the case considering the low relative market cap afforded these shares. With adequate financing, DNA plans to procure equipment and commence production in the coming quarters which would substantially raise the Company's profile and market value.

DNA PRECIOUS METALS, INC. (OTCQB - DNAP)

COMPANY OVERVIEW (cont.)

DNA Precious Metals is in a unique position as one of the first firms to start projects in Quebec, in an area that has just recently been re-opened to mining exploration. The Montauban region is a historically rich mining area with proven past exploration. DNA is taking a unique approach by focusing on the extraction of gold and silver from approximately 2.5 million tons of mining residues, not high grade ore. This presents a very viable low cost alternative to traditional methods. *Figure 2* illustrates historical data from previous mining explorations at these sites and equivalent dollar amounts at recent spot prices.

	Gold (oz)	Gold (\$)	Silver (oz)	Silver (\$)
Exploration 1913 - 1944	40,000	\$ 53,400,000	4,000,000	\$ 84,800,000
Exploration 1948 - 1955	16,000	\$ 21,445,000	3,000,000	\$ 56,566,000
Exploration 1983 - 1990	92,553	\$ 123,558,255	323,376	\$ 6,855,571

Figure 2: Historical Gold and Silver Exploration Results at Montauban Tailings Mine

[Spot Price March 4, 2014]

DNA Precious Metals is the only mining company in Canada with a primary focus on bringing a tailings residue site into commercial production. Thus, the Company has “first mover advantage” in Quebec, and may expand into exploitation of other tailings sites throughout the province. Longer term potential includes tailings exploitation in other jurisdictions. With its focus on exploitation rather than exploration, DNA Precious Metals Inc. can achieve production cash flow faster than many of its peers since a tailings residue site with a mineralized gold and silver deposit has a low capital cost. Given the total resource potential, including measured resources, inferred tailings and near surface resources, the economic potential is great, with an estimated \$234M in gold, silver and mica.

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INDUSTRY SNAPSHOT

Figure 3 is a historical 10-year chart for the most recent spot price of gold and Figure 4 represents the spot price history from 2000 until the present for silver.



Figure 3: 10-Year Spot Price of Gold

The price of gold increased nearly 500% from 2003 through 2011 due to global economic uncertainty over that time. Even with the price hit over the past two years or so in conjunction with the stock market rebound, gold still remains 300% above the price in 2003 and may have reached an inflection point on a rebound recently. Easy money policies of the United States and other industrialized nations still make it a strong speculative and hedging opportunity to combat the decline of currencies, inflation, and low interest rates, not to mention a hedge against geopolitical risk.

Silver prices skyrocketed from 2003 through 2011 similar to gold at nearly a 500% increase. Silver has historically been used for currency and jewelry, but is increasingly a material of choice for industrial purposes.

One example of a new industrial use of silver is in the Solar Power PV industry, as silver paste, where demand has increased significantly as increased environmental regulations continue to drive this market in North America and Europe. Additionally, investment in silver has skyrocketed, with a major shift to using silver as a hedge against currency. The iShares Silver Trust ETF (SLV) had a 100% rise from May 2010 to May 2011 and is up over 11% since a bottom in the summer of 2013.

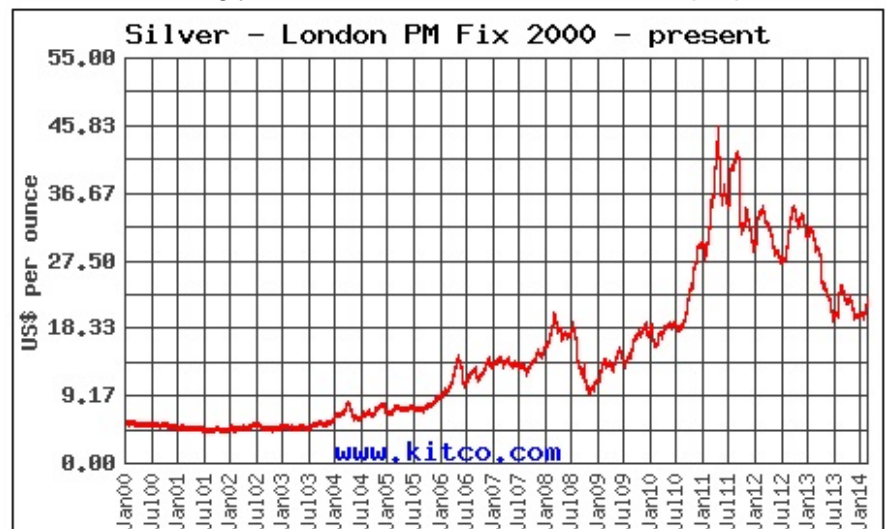


Figure 4: Spot Price of Silver 2000 - Present

As with gold, silver demand will increase

due to any financial unrest globally, but will also benefit from increased use in industrial applications.

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INDUSTRY SNAPSHOT (cont.)

Figure 5 shows a sample of the latest estimates for the price of gold and silver over the next two years from some of the leading Wall Street banks. While the average consensus price actually shows the price of gold going down in 2014, there appears to be consensus that the price will stabilize in 2065. For silver the same can be stated, but there appears to be an agreement that 2065 will see an increase in price of almost 10% over 2014.

Firm	Forecast Date	Gold 2014	Gold 2015	Silver 2014	Silver 2015
UBS	12/03/13	\$ 1,200	\$ 1,050	\$ 20.50	\$ 21.00
Bank of America	01/09/14	\$ 1,150	NA	\$ 18.38	NA
Citi	11/18/13	\$ 1,255	\$ 1,350	\$ 20.30	\$ 22.20
Morgan Stanley	01/22/14	\$ 1,160	\$ 1,138	NA	NA
HSBC	03/03/14	\$ 1,292	\$ 1,310	NA	NA
Average		\$ 1,211	\$ 1,212	\$ 19.73	\$ 21.60

Figure 5: Most Recent Analysts' Forecast for Gold

The general theory behind the relatively flat price of gold over the next year from analysts is that world economies are generally improving and easy monetary policies will subside, thus decreasing demand from the investor side. Silver prices should rise due to both investing and manufacturing demand increases. Finally, there should be consideration that inflation could be a serious issue longer term given the extent and time duration of the Fed stimulus, which could amplify if the economy enters a true bust out growth cycle and rising prices. Thus, an investment in DNA Precious Metals is an undervalued opportunity to capitalize on another potential gold and silver boom.

**DNA PRECIOUS METALS, INC. (OTCQB - DNAP)****THE DNA PRECIOUS METALS TEAM**

The management and director team at DNA is seasoned in a variety of fields that should enable the Company to meet the challenges ahead. Fields of expertise and knowledge include geology, mineral exploration, accounting, technology, sales, and finance.

Tony J. Giuliano - President, Chief Executive Officer, Chief Financial Officer, Director

Mr. Giuliano has over 30 years of experience in accounting, finance, taxation, mergers and acquisitions, raising capital, and international operations. He has held several C-level finance positions for publicly traded companies in the United States and Canada including a private aviation company providing corporate and individual executive air travel; a high-tech manufacturing company; a distribution company; and a specialized software developer. Mr. Giuliano began his career at Deloitte & Touche Canada, a major international accounting firm, in Montreal where he gained expertise in Canadian public companies operating in both the manufacturing and financial services sectors

James Chandik – Executive Vice President

Mr. Chandik has held several managerial sales positions at a variety of firms, most notably for Datacom Wireless Corporation and Navigata Communications. He has over 25 years of experience in sales leadership, marketing, and business development. He graduated from McGill University with a B.A. in Economics.

Yves Gagnon - Vice-President of Operations, Director

Mr. Gagnon is a geological engineer with over 35 years of experience in the mining industry where he steadily progressed to upper management level overseeing teams of hundreds of people and multi-million dollar budgets. He has worked for many firms including Yorbeau Resources, Géospex Sciences, Espalau Corp., Abcourt Mines, Métanor Resources, and C2C Inc. He has played key roles in discovery, recovery, and reclamation projects while acting at the C-level and other consulting roles for public and private mining companies.

**DNA PRECIOUS METALS, INC. (OTCQB - DNAP)****RISK FACTORS**

In contrast with most pre-production companies, DNA's biggest overall risk factor is not achieving success in "striking gold" in its primary project. In our view, the primary risk factor is related to any delays in closing the funding necessary to procure equipment and begin production of gold, silver, and mica. Considering the relative size of the region and site's production history and data, we deem it unlikely that mineralization will not occur. Still, given that the needs for capital are a fraction of the typical requirements for a property of this size due to management's clever extraction approach, we believe that this access to capital on fair terms should be favorable to the company and investors. With a solid management team, we are confident that DNA Precious Metals will close funding and commence the production stage in the coming quarters.

CONCLUSION

DNA Precious Metals, Inc. is a developing gold and silver mining and production company with exploration properties located in Portneuf County, Quebec, Canada about 80 miles northwest of Quebec City. The main site is the Montauban Tailings Mine Property located at Notre-Dame-de-Montauban. DNA has 65 mining claims on approximately 1500 acres of these sites. Production will commence in the coming quarters.

DNA Precious Metals has a first-mover advantage over other firms in the region. DNA is one of the first companies to start projects in Quebec, in an area that has just recently been re-opened to mining exploration. The Montauban region is a historically rich mining area with proven past exploration. DNA is the only mining company in Canada with a primary focus on bringing a tailings residue site into commercial production. DNA is taking a unique approach by focusing on the extraction of gold and silver from of approximately 2.5 million tons of mining residues, not high grade ore. This presents a very viable low cost alternative to traditional methods.

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DNA PRECIOUS METALS, INC. (OTCQB - DNAP)

Recent Trading History For DNAP

(Source: Stockta.com)



**DNA PRECIOUS METALS, INC. (OTCQB - DNAP)****Senior Analyst: Robert Goldman**

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

Analyst Certification

I, Robert Goldman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

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