



FIRST LOOK January 20, 2021

GREAT BEAR RESOURCES (TSXV-GBR) C\$14.05

RATING: BUY
(unchanged)

TARGET: C\$28.75
(unchanged)

Drill Results Along LP Fault Confirm our Maiden Resource Expectations

EVENT: Great Bear announced additional results from its ongoing C\$25 million fully funded 2021 exploration program at its Dixie Project in the Red Lake district of Ontario.

IMPACT: Positive. We believe today's and upcoming results from the LP Fault will continue to support our thesis of Great Bear delivering a maiden resource of ~7.5Moz across a 4 km long strike length at the LP Fault.

HIGHLIGHTS:

- ▶ **LP Fault:** Great Bear delivered results from 7 additional drill holes completed along a 200m strike length along the LP Fault. The near surface holes were completed on tight 25m centres between bedrock surface and ~70 vertical metre depth.
- ▶ **Assays:** Near surface high-grade assays include:
 - 10.01g/t Au over 34.85m from 50.50 to 85.35m;
 - 15.25g/t Au over 10.40m from 63.00 to 73.40m; and
 - 16.69g/t Au over 8.60m from bedrock surface (30.40 to 39.00 metres).
- ▶ **Take-away:** Drilling continues to confirm lateral and vertical continuity of mineralization while also enhancing the geologic model and predictability of mineralization at the LP Fault target on the Dixie property. Today's results demonstrate continuity of near surface high-grade mineralization over 200m of strike length on 7 drill sections at the LP Fault zone. We believe today's and upcoming results from the LP Fault will continue to support our thesis of Great Bear delivering a maiden resource of ~7.5Moz across a 4km long strike length at the LP Fault.
- ▶ **Valuation:** We currently see the GBR trading at a 0.4x NAVPS multiple and a discount to its peers. Given the potential size, scale, location, and opportunity for M&A, we continue to see Great Bear as a top-tier Canadian based exploration name for investors who should be opportunistic at its current valuation.

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Company Statistics

Risk:	SPECULATIVE
52-week High/Low:	C\$19.83 / C\$3.68
Pricing Date:	Jan 19 2021
Shares Out. (basic):	52.9M
Shares Out. (fd):	56.8M
Market Cap:	C\$717M
Return:	104.6%
Cash (C\$):	\$47.0M
Working Capital (C\$):	\$36M
Long Term Debt (C\$):	\$0M
Enterprise Value (C\$):	\$687M

All figures in C\$ unless otherwise noted.

Valuation Summary

Our valuation for Great Bear is based on a 50/50 weighting using a) EV/oz metrics on our assumed in-situ resource and b) a DCF analysis on our assumed operating outlook. We then apply a 0.8x NAVPS multiple to reach our \$28.75/sh target.



PI Financial Corp. and/or its affiliates have received compensation for investment banking services for the subject Great Bear Resources over the preceding 12-month period.

Disclosure Fact Sheet

Ratings

BUY : recommendation: stock is expected to appreciate from its current price level at least 10-20% in the next 12 months.

NEUTRAL : recommendation: stock is expected to trade in a narrow range from its current price level in the next 12 months.

SELL : recommendation: stock is expected to decline from its current price level at least 10-20% in the next 12 months.

U/R : Under Review

N/R : No Rating

TENDER: Investors are guided to tender to the terms of the takeover offer. Analyst recommendations and targets are based on the stock's expected return over a 12-month period or may be based on the company achieving specific fundamental results. Under certain circumstances, and at the discretion of the analyst, a recommendation may be applied for a shorter time period. The basis for the variability in the expected percentage change for a recommendation, relates to the differences in the risk ratings applied to individual stocks. For instance stocks that are rated Speculative must be expected to appreciate at the high end of the range of 10-20% over a 12-month period.

Price Volatility/Risk

SPECULATIVE : The Company has no established operating revenue, and/or balance sheet or cash flow concerns exist. Typically low public float or lack of liquidity exists. Rated for risk tolerant investors only.

ABOVE AVERAGE : Revenue and earnings predictability may not be established. Balance sheet or cash flow concerns may exist. Stock may exhibit low liquidity.

AVERAGE : Average revenue and earnings predictability has been established; no significant cash flow/balance sheet concerns are foreseeable over the next 12 months. Reasonable liquidity exists. Price Volatility/Risk analysis while broad based includes the risks associated with a company's balance sheet, variability of revenue or earnings, industry or sector risks, and liquidity risk.

Analyst Certification

I, Phil Ker, hereby certify that all of the views expressed in this report accurately reflect my personal views about the subject securities or issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly related to the specific recommendations or views expressed in this report. I am the research analyst primarily responsible for preparing this report.

Research Disclosures

Company	Disclosure
Great Bear Resources	3, 4

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9. Company has partially funded previous analyst visits to its projects.

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The attached summarizes PI's analysts review of the material operations of the attached company(s).

Analyst	Company	Type of Review	Operations / Project	Date
Ker, Phil	Great Bear Resources	Management Call	Dixie Project	06/02/20
Recommendations	Number of Recommendations		Percentage	
BUY	50		64.10%	
NEUTRAL	8		10.26%	
SELL	0		0.00%	
UNDER REVIEW	20		25.64%	
N/R	0		0.00%	
TENDER	0		0.00%	
TOTAL	78			

Stock Rating and Target Changes

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Great Bear Resources Rating History as of 01/19/2021



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