

GREAT BEAR RESOURCES LTD.
Condensed Interim Consolidated Financial Statements
For the Nine Months Ended September 30, 2018
(Unaudited - Expressed in Canadian Dollars)

GREAT BEAR RESOURCES LTD.
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September 30, 2018

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NOTICE OF NON-REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim consolidated financial statements, they must be accompanied by a notice indicating that these condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The attached condensed interim consolidated financial statements for the nine months ended September 30, 2018 have not been reviewed by the Company's auditors.

GREAT BEAR RESOURCES LTD.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

		September 30, 2018	December 31, 2017
ASSETS:			
Current assets	Note		
Cash		\$ 11,859,778	\$ 931,548
Investments in equity instruments	3,4	327,662	243,634
Receivables		144,500	-
GST receivable	5	160,563	25,698
Prepaid expenses		159,454	72,180
Total current assets		12,651,957	1,273,060
Exploration and evaluation assets	6	3,623,522	1,405,696
Total assets		\$ 16,275,479	\$ 2,678,756
LIABILITIES:			
Current liabilities			
Accounts payable and accrued liabilities	7	\$ 1,147,188	\$ 378,483
Flow-through premium liability	8	-	71,442
		1,147,188	449,925
EQUITY:			
Share capital	9	26,699,571	16,359,715
Subscriptions receivable	9	-	(452,202)
Equity reserves	9	10,124,124	4,809,257
Accumulated other comprehensive income (AOCI)	4	17,204	70,676
Deficit		(21,712,608)	(18,558,615)
Total equity		15,128,291	2,228,831
Total liabilities and equity		\$ 16,275,479	\$ 2,678,756

Nature and Continuance of Operations (Note 1)
Commitments (Note 12)
Subsequent Events (Note16)

Approved and authorized for issue by the Board of Directors on November 29, 2018

"Doug Ramshaw" Director

"David Terry" Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements

GREAT BEAR RESOURCES LTD.
Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
(Unaudited – Expressed in Canadian Dollars)

		Three months ended September 30,		Nine months ended September 30,	
	Note	2018	2017	2018	2017
Expenses:					
Consulting		\$ 251,599	\$ 37,050	\$ 321,099	\$ 107,050
Director Fees	10	6,000	6,000	18,000	12,000
Management fees	10	181,250	11,250	243,750	33,750
Office and administration		64,387	8,035	112,418	20,785
Professional fees		11,292	23,669	31,568	48,130
Property investigation		-	2,000	15,307	4,950
Rent	12	6,232	4,991	17,043	14,975
Share-based compensation	9,10	1,964,265	-	2,229,989	-
Transfer agent and filing fees		13,226	4,237	37,042	16,573
Travel, promotion and shareholder information		154,707	41,302	366,804	87,055
Total expenses		<u>(2,652,958)</u>	<u>(138,534)</u>	<u>(3,393,020)</u>	<u>(345,268)</u>
Other income					
Interest income		23,223	-	38,239	48
Other income	8	97,350	-	200,788	1,151
Total other income		<u>120,573</u>	<u>-</u>	<u>239,027</u>	<u>1,199</u>
Net loss for the period		<u>\$ (2,532,385)</u>	<u>\$ (138,534)</u>	<u>\$ (3,153,993)</u>	<u>\$ (344,069)</u>
Basic and diluted loss per common share		<u>\$ (0.08)</u>	<u>\$ (0.01)</u>	<u>\$ (0.13)</u>	<u>\$ (0.03)</u>
Weighted average number of common shares outstanding		<u>31,286,615</u>	<u>13,619,080</u>	<u>24,135,896</u>	<u>12,706,017</u>
Net loss for the period		<u>\$ (2,532,385)</u>	<u>\$ (138,534)</u>	<u>\$ (3,153,993)</u>	<u>\$ (344,069)</u>
Change in unrealized gains on investment in equity instruments					
Increase (decrease) in fair value	3,4	<u>(121,382)</u>	<u>7,589</u>	<u>(53,472)</u>	<u>(948)</u>
Net comprehensive loss for the period		<u>\$ (2,653,767)</u>	<u>\$ (130,945)</u>	<u>\$ (3,207,465)</u>	<u>\$ (345,017)</u>

The accompanying notes are an integral part of these condensed interim consolidated financial statements

GREAT BEAR RESOURCES LTD.
Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited – Expressed in Canadian Dollars)

	Note	Share Capital		Subscriptions Receivable	Equity Reserves	AOCI AFS Investments	Deficit	Total
		Number of Shares	Amount					
Balance at December 31, 2016		12,194,966	\$ 15,021,501	\$ -	\$ 4,423,886	\$ 36,000	\$ (18,018,418)	\$ 1,462,969
Increase in fair value of equity investments		-	-	-	-	(948)	-	(948)
Shares issued for resource property		400,000	123,500	-	-	-	-	123,500
Shares issued in private placement, net of share issue costs		1,680,000	296,061	(50,000)	121,026	-	-	367,087
Warrants exercise		621,032	192,445	-	(37,174)	-	-	155,271
Loss for the period		-	-	-	-	-	(344,069)	(344,069)
Balance at September 30, 2017		14,895,998	\$ 15,633,507	\$ (50,000)	\$ 4,507,738	\$ 35,052	\$ (18,362,467)	\$ 1,763,810
Balance at December 31, 2017		18,176,689	\$ 16,359,715	\$ (452,202)	\$ 4,809,257	\$ 70,676	\$ (18,558,615)	\$ 2,228,831
Increase in fair value of FVOCI equity investments		-	-	-	-	(53,472)	-	(53,472)
Shares issued in private placement		10,199,332	8,901,254	452,202	2,798,555	-	-	12,152,011
Share issue costs - cash		-	(699,508)	-	-	-	-	(699,508)
Share issue costs - finders' warrants		-	(493,233)	-	493,233	-	-	-
Share-based compensation	9, 10	-	-	-	2,490,330	-	-	2,490,330
Options exercised		203,000	127,050	-	-	-	-	127,050
Warrants exercised		6,776,870	2,037,042	-	-	-	-	2,037,042
Reclass of contributed surplus		-	467,251	-	(467,251)	-	-	-
Loss for the period		-	-	-	-	-	(3,153,993)	(3,153,993)
Balance at September 30, 2018		35,355,891	\$ 26,699,571	\$ -	\$ 10,124,124	\$ 17,204	\$ (21,712,608)	\$ 15,128,291

The accompanying notes are an integral part of these condensed interim consolidated financial statements

GREAT BEAR RESOURCES LTD.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited – Expressed in Canadian Dollars)

		Nine months ended September 30,	
		2018	2017
Cash flows from operating activities			
Loss for the period	Note	\$ (3,207,465)	\$ (344,069)
Items not involving cash:			
Other income	8	(200,788)	(1,151)
Share-based compensation	9,10	2,229,989	-
Unrealized gain (loss) on investment	4	53,472	-
Changes in non-cash working capital items:			
Receivables	5	(144,500)	19,662
Taxes receivable		(134,865)	(19,635)
Prepaid expenses		(87,274)	(91,782)
Accounts payable and accrued liabilities		411,719	(71,599)
Net cash used in operating activities		(1,079,712)	(508,575)
Cash flows used in investing activities			
Mineral properties and exploration advances	6	(1,837,999)	(254,548)
Recoveries	6	100,000	-
Net cash used in investing activities		(1,737,999)	(254,548)
Cash flows from financing activities			
Cash share issue costs		(699,508)	(2,913)
Cash from options exercised	9	127,050	-
Cash from warrants exercised	9	2,037,042	-
Proceeds from private placement	9	11,829,155	525,271
Subscriptions receivable	9	452,202	-
Net cash provided by financing activities		13,745,941	522,358
Changes in cash during the period		10,928,230	(240,765)
Cash, beginning of period		931,548	765,976
Cash, end of period		\$ 11,859,778	\$ 525,211

Supplemental disclosure with respect to Cash Flows (Note 11)

The accompanying notes are an integral part of these condensed interim consolidated financial statements

GREAT BEAR RESOURCES LTD.
Notes to the Condensed Interim Consolidated Financial Statements
September 30, 2018

1. NATURE AND CONTINUANCE OF OPERATIONS

Great Bear Resources Ltd. (the "Company") was incorporated under the Company Act (British Columbia) on December 6, 2001. On January 22, 2010, the Company changed its name from Great Bear Uranium Corp. to Great Bear Resources Ltd. The Company's registered office and its principal place of business is located at 1020 - 800 West Pender Street, Vancouver, BC, Canada V6C 2V6.

The Company is a mineral exploration company with interests in mineral properties in British Columbia and Ontario, Canada. The Company's shares are listed on the TSX Venture Exchange ("TSX.V") under the trading symbol "GBR".

The Company is in the process of exploring its resource properties and has not yet determined whether the resource properties contain reserves that are economically recoverable. The business of mining and exploring for resources involves a high degree of risk and there can be no assurance that planned exploration and development programs will result in profitable mining operations. The recoverability of amounts capitalized for the resource properties and related deferred exploration costs are dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development of the properties and upon future profitable production or proceeds from the disposition thereof. Changes in future conditions could require material write-downs of the carrying values of resource properties.

2. BASIS OF PREPARATION

Statement of Compliance

The interim consolidated financial statements of the Company were prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") for interim information, specifically International Accounting Standards ("IAS") 34, Interim Financial Reporting.

The condensed interim consolidated financial statements are presented in accordance with IAS 1, Presentation of Financial Statements. The Company has elected to present the "Statement of Comprehensive Loss" as a single statement, "Consolidated Statement of Loss and Comprehensive Loss".

The preparation of financial data is based on accounting policies and practices consistent with those used in the preparation of the Company's most recent annual audited consolidated financial statements for the year ended December 31, 2017, except the changes noted below, and therefore, should be read in conjunction with those statements and notes thereto. Changes to significant accounting policies are described in note 3.

The financial statements are prepared on a historical cost basis, except for financial instruments classified as fair value through profit and loss and fair value through other comprehensive income or loss. All dollar amounts presented are in Canadian dollars unless otherwise specified. The financial statements are prepared using the accrual basis of accounting, except for cash flow information.

The condensed interim consolidated financial statements of the Company for the nine months ended September 30, 2018 (including comparatives) have been prepared by management, reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on November 29, 2018. Interim results are not necessarily indicative of the results expected for the year ending December 31, 2018.

Going Concern of Operations

These condensed interim consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations.

Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions that would assure continuation of the Company's operations and exploration programs. In addition, management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur.

GREAT BEAR RESOURCES LTD.
Notes to the Condensed Interim Consolidated Financial Statements
September 30, 2018

2. BASIS OF PREPARATION (continued)

Going Concern of Operations (continued)

As the Company is in the exploration and evaluation stage, the Company has not identified a known body of commercial grade mineral on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the properties. To date, the Company has not earned any revenues.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies in these condensed interim consolidated financial statements are consistent with those applied in the Company's audited consolidated financial statements as at and for the year ended December 31, 2017.

The Company has adopted IFRS 9, Financial Instruments and IFRS 15, Revenue from Contracts with Customers from January 1, 2018. The effect of initially applying these standards did not have a material impact on the Company's financial statements.

New and Revised Standards and Interpretations

IFRS 9 Financial Instruments

IFRS 9 was issued by the IASB in November 2009 and replaced IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. This standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. However, most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9 and, therefore, the accounting policy with respect to financial liabilities is unchanged.

The Company classifies its financial assets into one of the categories described below, depending on the purpose for which the asset was acquired:

Fair value through profit or loss ("FVTPL") – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the income statement. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the income statement in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

Fair value through other comprehensive income ("FVTOCI") - Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost - A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Management determines the classification of its financial assets at initial recognition.

The adoption of IFRS 9 has had no significant impact on the financial statements as the Company elected to value its marketable securities at FVOCI under IFRS 9 (previously classified as available for sale under IAS 39). Any subsequent gains or losses on these instruments under IFRS 9 will not be reclassified to profit and loss.

IFRS 15 Revenue from Contracts with Customers

The IASB issued IFRS 15, Revenue from Contracts with Customers, which provides a single principle-based framework to be applied to all contracts with customers. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments. The new standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards.

GREAT BEAR RESOURCES LTD.
Notes to the Condensed Interim Consolidated Financial Statements
September 30, 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

New and Revised Standards and Interpretations (continued)

IFRS 15 Revenue from Contracts with Customers (continued)

Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service. This standard is effective for reporting periods beginning on or after January 1, 2018.

The adoption of this standard has not had any impact on the Company's financial statements.

IFRS 16 Leases

In January 2016, the IASB issued IFRS 16, replacing IAS 17, "Leases". IFRS 16 provides a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases on its balance sheet, providing the reader with greater transparency of an entity's lease obligation. This standard is effective for reporting periods beginning on or after January 1, 2019, with early adoption permitted.

The Company is planning to adopt this standard as of its effective date. The management estimates the adoption of the above standard, amendments and interpretations will not have a material impact on the results and financial position of the Company.

4. INVESTMENT IN EQUITY INSTRUMENTS

FVOCI investments consists of investments in common shares of publicly traded companies, and therefore has no fixed maturity date or coupon rate. The fair value of the listed investments has been determined directly by reference to published price quotations in an active market. During the nine months ended September 30, 2018, the fair value of these investments decreased by \$53,472 (2017 – decreased by \$948), which is recorded in other comprehensive income.

5. RECEIVABLES

Receivables as at September 30, 2018 consist of a GST receivable balance from the Federal Government of Canada in the amount of \$160,563 (December 31, 2017 - \$25,698) and subscriptions receivable totaling \$144,500 for warrants exercised during the three months ended September 30, 2018.

6. EXPLORATION AND EVALUATION ASSETS

	BA Property	Surprise Creek Property	Dixie Lake	West Madsen Property	Total
Balance, December 31, 2016	\$ 644,062	\$ 347,378	\$ 51,406	\$ 12,500	\$ 1,055,346
<u>Additions:</u>					
Acquisition	15,130	10,392	75,216	149,500	250,238
Exploration	54,011	525	530,738	14,840	600,113
Less Recoveries:					
Option payments	(250,000)	(250,000)	-	-	(500,000)
Balance, December 31, 2017	\$ 463,202	\$ 108,295	\$ 657,359	\$ 176,840	\$ 1,405,696
<u>Additions:</u>					
Acquisition	-	-	20,000	12,000	32,000
Exploration	1,150	-	2,419,876	2,300	2,423,326
Less Recoveries:					
Option payments	(68,750)	(68,750)	-	-	(137,500)
JEAP payment			(100,000)		(100,000)*
Balance, September 30, 2018	\$ 395,602	\$ 39,545	\$ 2,997,235	\$ 191,140	\$ 3,623,522

* Amount received of \$100,000 under the Junior Exploration Assistance Program ("JEAP") pursuant to the Contribution Agreement dated December 21, 2017.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties is in good standing.

GREAT BEAR RESOURCES LTD.
Notes to the Condensed Interim Consolidated Financial Statements
September 30, 2018

6. EXPLORATION AND EVALUATION ASSETS (continued)

a) Dixie Lake Property

On November 20, 2015 the Company entered into an agreement to acquire the Dixie Lake mining claims in Ontario consisting of a 67% interest in 45 mining claims and a 100% interest in 4 newly staked mining claims. In order to acquire the interest, the Company (as farmee) must make the following cash payments and share issuances:

Due Date	Cash	Common Shares of the Company
November 2, 2015 (paid on November 2, 2015)	\$ 4,000 (paid)	-
Within 7 days of executing the acquisition agreement	\$ 16,000 (paid)	-
Within 30 days of executing the acquisition agreement	-	20,000 (issued)
November 20, 2016 (paid on November 2, 2016)	\$ 20,000 (paid)	-
November 20, 2017 (paid on November 2, 2017)	\$ 20,000 (paid)	-
November 20, 2018	\$ 30,000 (paid) *	-
November 20, 2019	\$ 40,000 (paid) *	-
	\$ 130,000	20,000

On July 12, 2017, the Company entered into a Purchase Agreement with Newmont Canada Holdings, ULC ("Newmont") to acquire Newmont's 33% interest in the Dixie Lake project, located in the Red Lake district of Ontario, by paying \$80,000 over four years. The purchase can be accelerated at any time at the Company's discretion.

Due Date	Cash
July 12, 2017	\$ 20,000 (paid)
July 12, 2018	\$ 20,000 (paid)
July 12, 2019	\$ 20,000 (paid) *
July 12, 2020	\$ 20,000 (paid) *
Total	\$ 80,000

* Subsequent to the period ended September 30, 2018, the Company accelerated the remaining payments totalling \$110,000 to acquire 100% in Dixie Lake Property (Note 16).

b) West Madsen Property

On December 29, 2016, the Company signed a purchase agreement to acquire 100% ownership of the West Madsen gold project in the Red Lake Gold District of Ontario. On August 29, 2017, the Company entered into an amending agreement to the above Purchase Agreement.

On August 30, 2017, the Company signed a purchase agreement to acquire 100% ownership of additional claims expanding the West Madsen gold project. The Company also purchased all Net Smelter Royalties ("NSR") on the West Madsen project for payment of 200,000 shares.

Under these agreements, the Company will pay aggregate cash and issue shares as follows:

Due Date	Cash	Common Shares
December 2016	\$ 12,000 (paid)	-
April 7, 2017 issued	-	100,000 (issued)
Within 7 business days as of August 29, 2017	\$ 12,000 (paid)	-
Within 7 business days as of TSX Approval	-	300,000 (issued)
December 29, 2017	\$ 10,000 (paid)	-
August 29, 2018	\$ 12,000 (paid)	-
December 29, 2018	\$ 12,000	-
August 29, 2019	\$ 14,000	-
December 29, 2019	\$ 16,000	-
August 29, 2020	\$ 16,000	-
December 29, 2020	\$ 20,000	-
August 29, 2021	\$ 20,000	-
Total	\$ 144,000	400,000

GREAT BEAR RESOURCES LTD.
Notes to the Condensed Interim Consolidated Financial Statements
September 30, 2018

6. EXPLORATION AND EVALUATION ASSETS (continued)

c) BA Property and Surprise Creek Property

Pursuant to an option and joint venture agreement with Mountain Boy Minerals Ltd. ("Mountain Boy") dated January 28, 2010 and amended on December 31, 2013, the Company acquired a 50% interest in the BA Property located in the Skeena Mining Division in the province of British Columbia.

The Company owns 50% of the Surprise Creek Property subject to a 1% NSR, which may be purchased by the Company. The Surprise Creek Property is also in the Skeena Mining Division in the province of British Columbia and consists of 19 mineral claims totaling 7,472 hectares.

On October 25, 2010, the Company entered into an amending agreement to the above Option and Joint Venture Agreement relating to the BA Property whereby the Surprise Creek Property was included under the terms of the Joint Venture Agreement and acquisition costs for the Surprise Creek Property borne entirely by the Company were applied against its earn-in requirement towards the BA Property.

In October 2016, the Company amended its agreements with Mountain Boy and entered into new joint venture agreements with Mountain Boy for each of the BA and Surprise Creek properties (the "2016 Agreements"). The October 2016 Agreements require the Company and Mountain Boy to conduct annual minimum work programs of \$250,000 on each project. Management has determined the terms of this arrangement do not provide joint control of the relevant activities of exploring and evaluating this property and accordingly only those costs incurred by the Company have been capitalized.

On June 1, 2017, the Company entered into an Agreement to grant an option to Mountain Boy to acquire the Company's 50% interest in and to each of the BA Property and Surprise Creek Property. Under the option agreement, Mountain Boy will pay aggregate cash and shares as follows:

Due Date	Cash	Common Shares of Mountain Boy
August 20, 2017	\$ 150,000 received	-
September 1, 2017 (TSX approval date)	-	2,500,000 received
November 20, 2017	150,000 received	-
April 15, 2018	-	2,500,000 received
August 20, 2018	300,000*	-
April 15, 2019	-	2,500,000
August 20, 2019	350,000	-
April 15, 2020	-	2,500,000
August 20, 2020	350,000	-
On completion of a Mineral Resource on the Surprise Creek Property	200,000	-
On completion of a Mineral Resource on the BA Property	400,000	-
On completion of a Pre-Feasibility Study on the Surprise Creek Property	200,000	-
On completion of a Pre-Feasibility Study on the BA Property	500,000	-
On commencement of constructing a mine to extract ore to produce minerals from the Surprise Creek Property	800,000	-
On commencement of constructing a mine to extract ore to produce minerals from the BA Property	1,600,000	-
	\$ 5,000,000	10,000,000

* Deferred to March 20, 2019 in exchange for additional Mountain Boy shares. Please see below in Note 6 (c) and Note 16.

The Company will retain a right of first refusal on the sale of both - the Surprise Creek and BA properties, should Mountain Boy enter into a sale agreement on either project in whole or in part with a third party.

GREAT BEAR RESOURCES LTD.
Notes to the Condensed Interim Consolidated Financial Statements
September 30, 2018

6. EXPLORATION AND EVALUATION ASSETS (continued)

c) BA Property and Surprise Creek Property (continued)

The 2016 Agreements are suspended during the period of the 2017 Agreement, and if Mountain Boy elects not to exercise an option or fails to make any payments or share issuances to the Company in respect of either optioned property, the 2016 Agreements between the Company and Mountain Boy will resume in respect of the properties at 50% interest owned by each company.

In September 2017, the Company received its final approval of the TSX Venture Exchange to grant the option to its joint venture partner, Mountain Boy to acquire the Company's 50% interest in and to each of the BA and Surprise Creek associated properties.

In April 2018, the Company received 2,500,000 Mountain Boy shares valued at \$137,500. They were recorded as a recovery to offset expenditures for BA and Surprise Creek Properties.

Subsequent to the period ended September 30, 2018, Mountain Boy issued 600,000 common shares to Great Bear in consideration for extending a cash payment due August 20, 2018 to March 20, 2019.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are broken down as follows:

	Note	September 30, 2018	December 31, 2017
Accounts payable to third parties		\$ 661,637	\$ 68,794
Accrued liabilities to third parties		453,667	301,346
Accounts payable to related parties	9	28,759	5,218
Accrued liability to related parties	9	3,125	3,125
		\$ 1,147,188	\$ 378,483

Included in accrued liabilities is an amount of \$271,022 which has been outstanding for over six years. Management has disputed this balance owing and does not believe the Company is required to pay this amount. The Company will continue to review current statutes and is seeking legal advice to determine when the amount can be de-recognized from the financial statements.

8. FLOW-THROUGH LIABILITY

Flow-through share premium liabilities include the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the issued flow-through shares:

Balance at December 31, 2016	\$	-
Liability incurred on flow-through shares issued during the period		71,442
Settlement of flow-through share liability on incurred expenditures		-
Balance at December 31, 2017	\$	71,442
Liability incurred on flow-through shares issued during the period		129,346
Settlement of flow-through share liability on incurred expenditures		(200,788)
Balance at September 30, 2018	\$	-

In May 2018, the Company issued 1,616,814 flow-through common shares at a price of \$0.58 per share for gross proceeds of \$937,752. A premium of \$0.08 per share was recorded for the flow-through shares.

During the nine months ended September 30, 2018, the Company incurred \$1,437,852 of eligible flow-through expenditure, representing 100% of the previous commitment from flow-through share issuance in December 2017 and 100% of the flow-through share issuance in May 2018. A total premium liability of \$200,788 was amortized to Other Income on the Statement of Operations and Comprehensive Loss.

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September 30, 2018

9. SHARE CAPITAL

On June 1, 2016, the common shares of the Company were consolidated such that one new common share was issued for every five common shares outstanding. The Company has affected the share consolidation in these consolidated financial statements as if it happened as at January 1, 2016 and disclosed all share capital, stock option and warrant information retrospectively, all on a post consolidated basis.

a) Authorized

Share capital consists of an unlimited number of voting common shares without par value.

b) Issued

Nine months ended September 30, 2018

On September 11, 2018 the Company completed a brokered and non-brokered private placement for gross proceeds of \$10,073,912. The non-brokered portion of the Financing consisted of 3,016,586 units for gross proceeds of \$4,374,062, and the brokered portion of the Financing consisted of 3,930,932 units for gross proceeds of \$5,699,850.

In connection with the Financing, the Company issued a total of 6,947,518 units each consisting of one common share and one half of one common share purchase warrant (each, a "unit") at a price of \$1.45 per unit. Each whole warrant will be exercisable into a common share of the Company at a price of \$1.75 for a period of two years.

In closing the placement, the Company incurred share issue costs of \$603,422, including 412,659 broker's warrants valued at \$453,835. Each broker warrant will entitle the holder to purchase a unit at a price of \$1.45 for a period of one year from the date of closing. Each unit issuable upon exercise of a broker warrant will consist of one common share of Great Bear and one-half of one warrant. Each whole warrant will be exercisable into a common share of the Company at a price of \$1.75 for a period of two years from the date of closing.

The aggregate proceeds raised of \$10,073,912 have been allocated as follows:

Allocation				
Gross proceeds	Common shares	Warrants	Flow-through premium liability	Finder's fees and share issue costs
\$ 10,073,912	\$ 7,656,066	\$ 2,417,846	\$ Nil	\$ 603,422

Level 1 quoted market prices were used to determine the fair value of the common shares and level 2 market-based information using a Black-Scholes option pricing model was used to determine the value of the warrants with the following assumptions

	September 30, 2018
Expected dividend yield	0 %
Weighted average risk-free interest rate	2.11 %
Weighted average expected life	2 years
Weighted average expected volatility	117.41%

On May 23, 2018 the Company completed a non-brokered private placement for gross proceeds of \$1,755,252. The Company issued 1,635,000 non-flow-through units at a price of \$0.50, which consist of one common share and one-half-of-one common share purchase warrant entitling the holder to acquire one additional common share at a price \$0.70 per share for a period of twenty-four months.

The Company also issued 1,616,814 flow-through units at a price of \$0.58, consisting of one common share and one-half-of-one common share purchase warrant entitling the holder to acquire one additional common share at a price \$0.70 per share for a period of twenty-four months. A flow-through liability of \$129,346 was recorded in connection with the flow-through offering (Note 8).

GREAT BEAR RESOURCES LTD.
Notes to the Condensed Interim Consolidated Financial Statements
September 30, 2018

9. SHARE CAPITAL (continued)

b) Issued (continued)

Nine months ended September 30, 2018 (continued)

In closing the placement, the Company incurred share issue costs of \$126,771, including 137,100 broker's warrants valued at \$39,400. The broker's warrants have the same terms as the non-flow-through and flow-through warrants.

The aggregate proceeds raised of \$1,755,252 have been allocated as follows:

Gross proceeds	Allocation			
	Common shares	Warrants	Flow-through premium liability	Finder's fees and share issue costs
\$ 1,755,252	\$ 1,245,195	\$ 380,711	\$ 129,346	\$ 126,771

Level 1 quoted market prices were used to determine the fair value of the common shares and level 2 market-based information using a Black-Scholes option pricing model was used to determine the value of the warrants with the following assumptions:

	June 30, 2018
Expected dividend yield	0 %
Weighted average risk-free interest rate	2.02 %
Weighted average expected life	2 years
Weighted average expected volatility	138.42%

During the nine months ended September 30, 2018, 6,776,870 common shares were issued upon warrant exercise for a total of \$2,037,042. From this amount, \$144,500 has been recorded to subscription receivable, which was received subsequent to the period ended September 30, 2018.

During the nine months ended September 30, 2018, 203,000 common shares were issued upon option exercise for gross proceeds of \$127,050. \$467,251 were reallocated from reserves to share capital.

Year ended December 31, 2017

On April 7, 2017, the Company issued 100,000 common shares at a fair value of \$0.185 per share for a resource property (Note 6b).

On August 4, 2017, the Company completed a non-brokered private placement and issued a total of 1,680,000 units at a price of \$0.25 per unit for gross proceeds of \$420,000. Each unit consists of one common share and one half of one share purchase warrant. Each warrant entitles the holder to acquire an additional common share for \$0.35 for a two-year period. The expiry date of the share purchase warrants will be subject to acceleration at the Company's discretion in the event the Company's common shares trade on a volume-weighted average price basis of \$0.45 per share for a period of 10 consecutive trading days.

The aggregate proceeds raised of \$420,000 have been allocated as follows:

Gross proceeds	Allocation			
	Common shares	Warrants	Flow-through premium liability	Finder's fees and share issue costs
\$ 420,000	\$ 310,367	\$ 109,633	\$ Nil	\$ Nil

Level 1 quoted market prices were used to determine the fair value of the common shares and level 2 market-based information using a Black-Scholes option pricing model was used to determine the value of the warrants with the following assumptions.

GREAT BEAR RESOURCES LTD.
Notes to the Condensed Interim Consolidated Financial Statements
September 30, 2018

9. SHARE CAPITAL (continued)

b) Issued (continued)

Year ended December 31, 2017 (continued)

	December 31, 2017
Expected dividend yield	0 %
Weighted average risk-free interest rate	1.24 %
Weighted average expected life	2 years
Weighted average expected volatility	148.733%

On September 20, 2017, the Company issued 300,000 common shares at a fair value of \$0.35 per share for a resource property (Note 6b).

On December 27, 2017, the Company completed a non-brokered private placement and issued a total 1,751,834 non-flow-through units at a price of \$0.30 per unit for gross proceeds of \$525,550. Each unit consists of one common share and one-half common share purchase warrant. Each warrant entitles the holder to acquire an additional common share for \$0.42 for a two-year period. The expiry date of the share purchase warrants will be subject to acceleration at the Company's discretion in the event the Company's common shares trade on a volume-weighted average price basis of \$0.50 per share for a period of 10 consecutive trading days.

On the same day the Company also completed a non-brokered private placement and issued a total of 1,428,857 flow-through units at a price of \$0.35 for gross proceeds of \$500,100, including a flow-through liability of \$71,442 (Note 8). Each unit consists of one common share and one half of one share purchase warrant. Each warrant entitles the holder to acquire an additional common share for \$0.42 for a two-year period. The share purchase warrants will be subject to acceleration on the same terms as the non-flow-through warrants.

The aggregate proceeds raised of \$1,025,650 have been allocated as follows:

Allocation				
Gross proceeds	Common shares	Warrants	Flow-through premium liability	Finder's fees and share issue costs
\$ 1,025,650	\$ 714,466	\$ 239,742	\$ 71,442	\$ 36,102

Level 1 quoted market prices were used to determine the fair value of the common shares and level 2 market-based information using a Black-Scholes option pricing model was used to determine the value of the warrants with the following assumptions.

	December 31, 2017
Expected dividend yield	0 %
Weighted average risk-free interest rate	1.66 %
Weighted average expected life	2.0 years
Weighted average expected volatility	143.614%

During the year ended December 31, 2017, 721,032 common shares were issued for gross proceeds of \$175,271 due to exercise of warrants.

GREAT BEAR RESOURCES LTD.
Notes to the Condensed Interim Consolidated Financial Statements
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9. SHARE CAPITAL (continued)

c) Share purchase warrants

Warrant transactions are summarized as follows:

	<i>September 30, 2018</i>		<i>December 31, 2017</i>	
	<i>Number of warrants</i>	<i>Weighted Average Exercise Price</i>	<i>Number of warrants</i>	<i>Weighted Average Exercise Price</i>
Balance, beginning of period	10,381,876	\$ 0.30	8,681,866	\$ 0.27
Granted	5,649,417	1.40	2,430,342	0.40
Exercised	(6,776,870)	0.30	(721,032)	0.24
Expired	(362,733)	0.31	(9,300)	0.40
Balance, end of period	8,891,690	\$ 1.00	10,381,876	\$ 0.30

As at September 30, 2018, the following warrants were outstanding and exercisable:

Warrants Outstanding	Warrants Exercisable	Exercise price	Weighted Average Remaining Life (in years)	Expiry date
1,526,968	1,526,968	\$ 0.20	0.80	July 18, 2019
698,000	698,000	\$ 0.35	0.84	August 4, 2019
1,142,035	1,142,035	\$ 0.42	1.24	December 27, 2019
1,638,277	1,638,277	\$ 0.70	1.65	May 23, 2020
412,659	412,659	\$ 1.45	0.95	September 11, 2019
3,473,751	3,473,751	\$ 1.75	1.95	September 11, 2020
8,891,690	8,891,690		1.47	

d) Stock options

The Company has adopted an incentive stock option plan (the "Option Plan") dated September 30, 2010 which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSX-V requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Included in the Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the then issued and outstanding common shares of the Company. At the discretion of the Board of Directors of the Company, options granted under the Option Plan can have a maximum exercise term of 10 years from the date of grant. Vesting terms are determined at the time of grant by the Board of Directors.

On March 1, 2018, the Company granted an aggregate of 565,000 stock options to officers, directors, advisors and consultants of the Company, exercisable at \$0.51 per share for a period of five years. The options are subject to a four-month hold.

On July 11, 2018, the Company granted an aggregate of 330,000 stock options to officers, directors, advisors and consultants of the Company, exercisable at \$0.55 per share for a period of five years. The options are subject to a four-month hold.

On September 20, 2018, the Company granted an aggregate of 1,220,000 stock options to officers, directors, advisors and consultants of the Company, exercisable at \$1.85 per share for a period of five years. The options are subject to a four-month hold.

GREAT BEAR RESOURCES LTD.
Notes to the Condensed Interim Consolidated Financial Statements
September 30, 2018

9. SHARE CAPITAL (continued)

d) Stock options (continued)

The fair value of stock options awarded in March, July and September 2018, of \$0.47, \$0.53 and \$1.68, respectively, was determined using the Black-Scholes Option Pricing Model with assumptions as follows:

	September 30, 2018	December 31, 2017
Expected dividend yield	0 %	0 %
Weighted average risk-free interest rate	1.99 - 2.32 %	1.77 %
Weighted average expected life	5.0 years	5.0 years
Weighted average expected volatility	148 - 167 %	171 %

Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility, which was estimated based on historical volatility of the Company's publicly traded shares. Changes in the underlying assumptions can materially affect the fair value estimates and therefore, in management's opinion, existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

The share-based compensation for the nine months ended September 30, 2018 was \$2,490,330. From this amount, \$260,341 was capitalized to Mineral Properties as the options were granted to exploration staff and consultants.

	September 30, 2018		December 31, 2017	
	Number of stock options	Weighted Average Exercise Price	Number of stock options	Weighted Average Exercise Price
Balance, beginning of year	1,411,000	\$ 0.31	1,218,000	\$ 0.33
Granted	2,115,000	1.29	210,000	0.36
Expired	(4,000)	0.75	(17,000)	2.50
Exercised	(203,000)	0.63	-	-
Balance, end of period	3,319,000	\$ 0.91	1,411,000	\$ 0.31

As at September 30, 2018, the following stock options were outstanding and exercisable:

Options Outstanding	Options Exercisable	Exercise price	Weighted Average Remaining Life (in years)	Expiry date
14,000	14,000	\$ 0.75	0.46	March 18, 2019
1,000,000	1,000,000	\$ 0.23	2.92	September 1, 2021
210,000	210,000	\$ 0.36	4.03	October 11, 2022
545,000	545,000	\$ 0.51	4.42	March 1, 2023
330,000	330,000	\$ 0.55	4.78	July 11, 2023
1,220,000	1,220,000	\$ 1.85	4.98	September 20, 2023
3,319,000	3,319,000		4.17	

GREAT BEAR RESOURCES LTD.
Notes to the Condensed Interim Consolidated Financial Statements
September 30, 2018

10. RELATED PARTY TRANSACTIONS

Key management compensation paid and accrued to directors, officers and companies in which directors and officers are shareholders and employees during the period ended September 30, 2018 and 2017 are as follows:

	September 30, 2018	September 30, 2017
Director fees	\$ 18,000	\$ 12,000
Geological fees capitalized to resource properties	59,125	78,600
Management and consulting fees	360,825	50,800
Property investigation	-	2,950
Share-based compensation	1,169,351	-
	\$ 1,607,301	\$ 144,350

As at September 30, 2018, \$28,759 (December 31, 2017 - \$5,218) is payable to various officers and directors of the Company. The accrued liabilities included \$3,125 (December 31, 2017 - \$3,125), owing to various officers and directors of the Company and companies, controlled by or having common officers and/or directors. These balances are non-interest bearing with no specific terms of repayment and are unsecured.

During the nine months ended September 30, 2018, the Company paid \$Nil (2017 - \$27,744) to a company controlled by an officer of the Company for rent and office expenses.

11. SUPPLEMENTARY CASH FLOW INFORMATION

Non-cash transactions are as follows:

	September 30, 2018	September 30, 2017
Finders' warrants	\$ 493,233	\$ -
Mineral properties and exploration expenditures included in accounts payable	\$ 458,193	\$ -
Shares issued for acquisition of exploration and evaluation assets	\$ -	\$ 123,500
Shares received for exploration and evaluation assets	\$ 137,500	\$ 200,000

12. COMMITMENTS

a) Plan of Arrangement - Madalena Energy Inc. (formerly Madalena Ventures Inc.)

In March of 2006, the Company entered into an agreement with Madalena Energy Inc. ("Madalena"), a public company listed on TSX Venture Exchange, in which Madalena agreed to distribute its mineral exploration business and certain marketable securities associated with the business to the Company. Each shareholder of Madalena received one-fifteenth of a common share of the Company for each common share of Madalena owned by such shareholder at August 22, 2006. The Company assumed all of Madalena's obligations in respect to a dividend in specie declared by Madalena on November 15, 2004, which was payable in the form of Planet Mining Exploration Inc. ("Planet") shares. The remaining 962,861 Planet shares and the dividend obligation that were transferred to the Company as part of the Arrangement are not included in the Company's balance sheet as the shares are held in trust by the Company for shareholders of Madalena at the declaration date. As at December 31, 2015, the Company held 962,861 Planet shares for distribution.

The dividend entitlement still exists but will ultimately expire pursuant to the provisions of the Unclaimed Property Act (B.C.), after which any unclaimed Planet shares (or any cash realized from their disposition prior to then) will become the property of the Company. As these Planet shares are held in a trust account for distribution to eligible shareholders, the shares have not been recognized on the Company's balance sheet.

b) Flow-Through Shares

During 2017 the Company issued flow-through shares and, as a result, committed to spend \$500,100 in qualifying exploration expenditures in 2018. During the nine months ended September 2018, the Company fulfilled the above commitment.

GREAT BEAR RESOURCES LTD.
Notes to the Condensed Interim Consolidated Financial Statements
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12. COMMITMENTS (continued)

b) Flow-Through Shares (continued)

During June 2018, the Company issued 1,616,814 flow-through shares committing to spend \$937,752 in qualifying exploration expenditures in 2018 and 2019. As at September 30, 2018, 100% of the commitment was fulfilled. (Note 8)

c) Lease

The company entered into a lease agreement with a third party to rent an office space commencing May 1, 2018 to April 29, 2021 for \$2,078 per month. In addition to the monthly rental payments, the company is charged for the applicable GST costs.

The future rental payments are required as follows:

2018	\$6,233
2019	\$24,930
2020	\$24,930
2021	\$8,310

d) Employment and Consulting Agreement

The Company has entered into an employment agreement with an officer of the Company. If this agreement is terminated by the Company without just cause, the Company is required to make a payment equal to the employee's annual base salary then in effect plus 50% of the most recently granted bonus. If there is a change in control and either party terminates this agreement within 12 months of the change in control, the Company is required to pay the employee an amount equal to 24 months of the employee's base salary and 50% of the most recent bonus granted to the employee.

The Company has entered into a consulting agreement with one consultant of the Company. If this agreement is terminated by the Company without just cause, the Company is required to make a payment equal to the employee's annual base fee then in effect. If there is a change in control and either party terminates this agreement within 12 months of the change in control, the Company is required to pay the consultant an amount equal to 24 months of the employee's base fee.

13. FINANCIAL AND CAPITAL RISK MANAGEMENT

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

a) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient cash balances to meet current working capital requirements. The Company is considered to be in the exploration and evaluation stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash are available on demand for the Company's programs and are not invested in any asset backed commercial paper.

b) Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash. The Company maintains its cash with high-credit quality financial institutions, thus limiting its exposure to credit risk on such financial assets.

c) Interest Rate Risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash. The Company's practice has been to invest cash at floating rates of interest, in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return for shareholders.

GREAT BEAR RESOURCES LTD.
Notes to the Condensed Interim Consolidated Financial Statements
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13. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

c) Interest Rate Risk (continued)

There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash, and restricted cash as they are generally held with large financial institutions.

d) Price Risk

Investments in equity instruments which are classified as fair value through other comprehensive income and are measured at fair value, are listed on public stock exchanges, including TSX-V and OTC-QB. Recently, the markets have experienced extreme volatility. Therefore, sensitivity analysis is performed using 15%. For such investments, a 15% increase in equity prices as at September 30, 2018 would have increased investments in equity instruments by \$49,149. An equal change in the opposite direction would have had the equal but opposite effect on the amounts shown above.

e) Fair Value Hierarchy

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Inputs that are not based on observable market data.

The fair value of cash and investments in equity instruments is measured based on level 1 of the fair value hierarchy

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at September 30, 2018 and December 31, 2017:

	Classification	Fair Value Hierarchy	September 30, 2018 Fair Value	December 31, 2017 Fair Value
Financial Assets:				
Cash	FVTPL	1	\$ 11,859,778	\$ 931,548
Investments in equity instruments	FVOCI	1	327,662	243,634

There were no transfers between Level 1, 2 and 3 in the period.

The estimated fair value of financial instruments approximates their carrying values due to the short-term nature of these instruments.

14. CAPITAL DISCLOSURES

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-form prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. There were no changes in the Company's approach to capital management during the period. In the management of capital, the Company includes the components of shareholders' equity, as well as cash. As at September 30, 2018, the Company is not subject to externally imposed capital requirements.

GREAT BEAR RESOURCES LTD.
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15. SEGMENTED INFORMATION

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. All of the Company's operations are within the mineral exploration sector. The Company's mining exploration operations are centralized whereby the Company's head office is responsible for the exploration results and for providing support in addressing local and regional issues. The Company's resource properties are located in British Columbia and Ontario, Canada. The resource properties as disclosed in note 6.

16. SUBSEQUENT EVENTS

The following events took place subsequent to the nine months ended September 30, 2018:

- On October 18, 2018, Mountain Boy issued 600,000 common shares to Great Bear in consideration for extending a cash payment due August 20, 2018 to March 20, 2019 in relation with the BA Property and Surprise Creek Property (Note 6c).
- On November 14, 2018, Great Bear announced that it had closed a "bought deal" private placement financing (the "Offering"). Upon closing of the Offering, the Company issued 1,000,000 flow-through common shares at a price of \$3.50 per flow-through share, for aggregate gross proceeds of \$3.5 million. In connection with the Offering, the Company paid fees totaling \$285,876, which are comprised of a cash commission of 6% of the gross proceeds of the Offering and reimbursement of expenses and fees.
- On November 14, 2018, the Company granted a total of 30,000 incentive stock options to certain employees with an exercise price of \$2.44 per share and a term of five years.
- On November 19, 2018, the Company announced it had accelerated payments and completed its Purchase Agreements to earn a 100% royalty-free interest in its flagship Dixie project, located in the Red Lake district of Ontario (Note 6a).