

**GREAT BEAR RESOURCES LTD.**

**Condensed Interim Consolidated Financial Statements**

**For the Three Months Ended March 31, 2020**

(Unaudited - Expressed in Canadian Dollars)

**GREAT BEAR RESOURCES LTD.**  
**Index to Condensed Interim Consolidated Financial Statements**  
**March 31, 2020**

---

Notice of Non-review of Condensed Interim Consolidated Financial Statements	Page 3
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Statements of financial position	4
Statements of operations and comprehensive loss	5
Statements of changes in equity	6
Statements of cash flows	7
Notes to the condensed interim consolidated financial statements	8-21

**Notice of Non-review of Condensed Interim Consolidated Financial Statements**

In accordance with National Instrument 51-102 Continuous Disclosure Obligations of the Canadian Securities Administrators, notice is given that the attached condensed interim consolidated financial statements for the three-month period ended March 31, 2020 have not been reviewed by the Company's auditors.

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

	Notes	March 31, 2020	December 31, 2019
<b>ASSETS:</b>			
<b>Current assets</b>			
Cash		\$ 22,986,888	\$ 28,515,877
Investments in equity instruments	3,4	868,417	1,208,566
Receivables	5	148	8,023
GST receivable	5	597,933	525,412
Prepaid expenses		414,459	226,141
<b>Total current assets</b>		<b>24,867,845</b>	<b>30,484,019</b>
Exploration and evaluation assets	6	25,024,072	19,028,086
<b>Total assets</b>		<b>\$ 49,891,917</b>	<b>\$ 49,512,105</b>
<b>LIABILITIES:</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	7	\$ 1,186,275	\$ 1,421,513
Flow-through premium liability	8	3,606,680	4,766,849
		4,792,955	6,188,362
<b>EQUITY:</b>			
Share capital	9	56,487,367	55,559,573
Equity reserves	9	17,498,561	11,894,093
Accumulated other comprehensive income (AOCI)	4	(293,221)	166,928
Deficit		(28,593,745)	(24,296,851)
<b>Total equity</b>		<b>45,098,962</b>	<b>43,323,743</b>
<b>Total liabilities and equity</b>		<b>\$ 49,891,917</b>	<b>\$ 49,512,105</b>

Nature and Continuance of Operations (Note 1)  
Commitments (Note 12)  
Subsequent Events (Note 15)

Approved and authorized for issue by the Board of Directors on May 28, 2020.

"Doug Ramshaw" Director

"David Terry" Director

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

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

		<b>Three months ended March 31,</b>	
		<b>2020</b>	<b>2019</b>
	Note		
<b>Expenses:</b>			
Consulting		\$ 72,158	\$ 60,500
Director Fees	10	15,000	15,000
Management fees		137,500	63,500
Office and administration		109,100	102,893
Professional fees		176,011	33,310
Rent		16,145	8,670
Share-based compensation	9,10	4,908,712	1,232,974
Transfer agent and filing fees		75,537	13,642
Promotion and shareholder information		145,522	251,015
Total expenses		<u>(5,655,685)</u>	<u>(1,781,504)</u>
<b>Other income</b>			
Interest income		138,622	72,548
Other income	6, 8	1,220,169	809,854
Total other income		<u>1,358,791</u>	<u>882,402</u>
<b>Net loss for the period</b>		<u>\$ (4,296,894)</u>	<u>\$ (899,102)</u>
<b>Basic and diluted loss per common share</b>		<u>\$ (0.10)</u>	<u>\$ (0.02)</u>
<b>Weighted average number of common shares outstanding</b>		<u>47,257,322</u>	<u>37,556,096</u>
<b>Net loss for the period</b>		<u>\$ (4,296,894)</u>	<u>\$ (899,102)</u>
<b>Change in unrealized gains on investment in equity instruments</b>			
Increase (decrease) in fair value	3,4	<u>(460,149)</u>	<u>(14,896)</u>
<b>Net comprehensive loss for the period</b>		<u>\$ (4,757,043)</u>	<u>\$ (913,998)</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 Shareholders' Equity**  
(Expressed in Canadian Dollars)

	<i>Share Capital</i>		<i>Subscriptions Receivable/ Received</i>	<i>Equity Reserves</i>	<i>AOCI AFS Investments</i>	<i>Deficit</i>	<i>Total</i>
	<i>Number of Shares</i>	<i>Amount</i>					
<b>Balance at December 31, 2018</b>	<b>37,133,611</b>	<b>\$ 29,330,540</b>	<b>\$ -</b>	<b>\$ 10,047,947</b>	<b>\$ (85,446)</b>	<b>\$ (21,853,143)</b>	<b>\$ 17,439,898</b>
Change in fair value of FVOCI equity investments	-	-	-	-	(14,896)	-	(14,896)
Share issuance costs – finders' warrants	-	(140,846)	-	140,846	-	-	-
Share-based compensation	9, 10	-	-	1,666,181	-	-	1,666,181
Options exercised	9	238,000	-	-	-	-	93,900
Warrants exercised	9	574,872	27,022	-	-	-	718,037
Reclass of contributed surplus		448,994	-	(448,994)	-	-	-
Loss for the period		-	-	-	-	(899,102)	(899,102)
<b>Balance at March 31, 2019</b>	<b>37,946,483</b>	<b>\$ 30,423,603</b>	<b>\$ 27,022</b>	<b>\$ 11,405,980</b>	<b>\$ (100,342)</b>	<b>\$ (22,752,245)</b>	<b>\$ 19,004,018</b>
<b>Balance at December 31, 2019</b>	<b>46,850,413</b>	<b>\$ 55,559,573</b>	<b>\$ -</b>	<b>\$ 11,894,093</b>	<b>\$ 166,928</b>	<b>\$ (24,296,851)</b>	<b>\$ 43,323,743</b>
Change in fair value of FVOCI equity investments	-	-	-	-	(460,149)	-	(460,149)
Share-based compensation	9,10	-	-	5,852,125	-	-	5,852,125
Options exercised	9	46,000	-	-	-	-	20,300
Warrants exercised	9	593,774	-	-	-	-	659,837
Reclass of contributed surplus		247,657	-	(247,657)	-	-	-
Loss for the period		-	-	-	-	(4,296,894)	(4,296,894)
<b>Balance at March 31, 2020</b>	<b>47,490,187</b>	<b>\$ 56,487,367</b>	<b>\$ -</b>	<b>\$ 17,498,561</b>	<b>\$ (293,221)</b>	<b>\$ (28,593,745)</b>	<b>\$ 45,098,962</b>

- 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**  
(Expressed in Canadian Dollars)

		Three months ended March 31,	
		2020	2019
Cash flows from operating activities:			
	Note		
Loss for the period		\$ (4,296,894)	\$ (899,102)
Items not involving cash:			
Other income	6, 8	(1,220,169)	(809,854)
Share-based compensation	9,10	4,908,712	1,232,974
Changes in non-cash working capital items:			
Accounts payable and accrued liabilities		(793,557)	132,184
Prepaid expenses		(188,318)	(44,792)
Receivables		7,875	(1,500)
Taxes receivable		(72,521)	(96,273)
<b>Net cash used in operating activities</b>		<b>(1,654,872)</b>	<b>(486,363)</b>
Cash flows used in investing activities:			
Mineral properties and exploration expenditures		(4,554,254)	(1,941,985)
<b>Net cash used in investing activities</b>		<b>(4,554,254)</b>	<b>(1,941,985)</b>
Cash flows from financing activities:			
Proceeds from options exercised	9	20,300	93,900
Proceeds from warrants exercised	9	659,837	691,015
Subscriptions received	9	-	27,022
<b>Net cash provided by financing activities</b>		<b>680,137</b>	<b>811,937</b>
<b>Changes in cash during the period</b>		<b>(5,528,989)</b>	<b>(1,616,411)</b>
Cash, beginning of period		28,515,877	13,282,093
Cash, end of period		<b>\$ 22,986,888</b>	<b>\$ 11,665,682</b>

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 Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2020**

---

**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.

During the three months ended March 31 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on Great Bear as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may/ be put, in place by Canada and other countries to fight the virus.

**2. Basis of preparation**

*Statement of Compliance*

These interim financial statements have been prepared in accordance with 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. In addition, these interim consolidated financial statements have been prepared using interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") in effect at March 31, 2020 and the same accounting policies and methods of their application as the most recent annual financial statements of the Company. These interim financial statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2019. In management's opinion, all adjustments necessary for fair presentation have been included in these condensed interim financial statements. Interim results are not necessarily indicative of the results expected for the year ending December 31, 2020.

The consolidated financial statements for the three months ended March 31, 2020 (including comparatives) have been prepared by management, reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 28, 2020.

*Going Concern of Operations*

These 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. 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.



**GREAT BEAR RESOURCES LTD.**  
**Notes to the Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2020**

---

**3. Significant accounting policies**

**a) Basis for measurement**

These condensed interim consolidated financial statements have been prepared on a historical basis, except for cash and financial instruments measured at fair value.

The accounting policies in preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended December 31, 2019.

**b) Basis of consolidation**

These condensed interim consolidated financial statements include the financial statements of Great Bear Resources Ltd., its wholly owned subsidiary Great Bear Royalties Corp, incorporated in British Columbia, Canada, and its wholly owned subsidiary Great Bear Resources USA Corp., incorporated in California, USA. All intercompany transactions and balances have been eliminated upon consolidation.

**c) Critical accounting judgements and estimates**

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amount of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are noted below with further details of the assumptions contained in the relevant note.

The preparation of our consolidated financial statements requires us to make judgments regarding the Company's ability to continue as a going concern as discussed in Note 2.

***Key Sources of Estimation Uncertainty and Critical Judgments***

*Exploration and evaluation assets*

Exploration and evaluation costs are initially capitalized as intangible exploration assets with the intent to establish commercially viable reserves. The Company is required to make estimates and judgments about the future events and circumstances regarding whether the carrying amount of intangible exploration assets exceeds its recoverable amount. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

*Share-based compensation*

Share-based compensation expense is measured by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The value of the share-based compensation expense for the three months ended March 31, 2020 are disclosed in Note 9.

**GREAT BEAR RESOURCES LTD.**  
**Notes to the Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2020**

**3. Significant accounting policies** (continued)

**Key Sources of Estimation Uncertainty and Critical Judgments** (continued)

*Deferred tax assets and liabilities*

The measurement of the deferred tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of deferred taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company's deferred tax assets and tax provisions could be affected.

**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 three months ended March 31, 2020, the fair value of these investments decreased by \$460,149 (2019 – decreased by \$14,896), which is recorded in other comprehensive income.

	Fair value Jan 1, 2019	Additions Mar 31, 2019	Disposals Mar 31, 2019	Fair value adjustment Mar 31, 2019	Fair value Mar 31, 2019
Common shares	\$ 258,012	\$ 293,930	\$ -	\$ (14,896)	\$ 537,046
	Fair value Jan 1, 2020	Additions Mar 31, 2020	Disposals Mar 31, 2020	Fair value adjustment Mar 31, 2020	Fair value Mar 31, 2020
Common shares	\$ 1,208,566	\$ 120,000	\$ -	\$ (460,149)	\$ 868,417

**5. Receivables**

Receivables as at March 31, 2020 consist of a GST receivable balance from the Federal Government of Canada in the amount of \$597,933 (December 31, 2019 - \$525,412) and \$148 receivable from a director of the Company. (December 31, 2019 - \$8,023). Subsequent to the three months ended March 31, 2020, the \$597,933 was received and the \$148 was repaid.

**GREAT BEAR RESOURCES LTD.**  
**Notes to the Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2020**

**6. Exploration and evaluation assets**

	BA Property	Surprise Creek Property	Dixie Property	West Madsen Property	DPS Property	Total
<b>Balance, December 31, 2018</b>	\$ 379,102	\$ 23,045	\$ 4,339,661	\$ 203,140	\$ -	\$ 4,944,948
<u>Additions:</u>						
Acquisition				30,000	381,880	411,880
<u>Exploration:</u>						
Assays	-	-	1,698,273	-	-	1,698,273
Drilling			7,592,042	-	-	7,592,042
Geological services	-	-	2,885,098	-	36,750	2,921,848
Stock-based compensation	-	-	911,859	-	-	911,859
Supplies, equipment, travel, permitting, freight and shipping	-	-	1,014,621	-	1,000	1,015,621
<u>Less Recoveries:</u>						
Option payments	(302,840)	(23,045)	-	(142,500)	-	(468,385)
<b>Balance, December 31, 2019</b>	<b>\$ 76,262</b>	<b>\$ -</b>	<b>\$ 18,441,554</b>	<b>\$ 90,640</b>	<b>\$ 419,630</b>	<b>\$ 19,028,086</b>
<u>Additions:</u>						
Acquisition				-	30,000	30,000
<u>Exploration:</u>						
Assays	-	-	798,189	-	-	798,189
Drilling			3,189,409	-	-	3,189,409
Geological services	-	-	757,946	-	-	757,946
Stock-based compensation	-	-	943,413	-	-	943,413
Supplies, equipment, travel, permitting, freight and shipping	-	-	337,029	-	-	337,029
<u>Less Recoveries:</u>						
Option payments	(60,000)	-	-	-	-	(60,000)
<b>Balance, March 31, 2020</b>	<b>\$ 16,262</b>	<b>\$ -</b>	<b>\$ 24,467,540</b>	<b>\$ 90,640</b>	<b>\$ 449,630</b>	<b>\$ 25,024,072</b>

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.

**a) Dixie Property**

On November 20, 2015 the Company entered into an agreement to acquire the Dixie 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) had to 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) *	-
	<b>\$ 130,000</b>	<b>20,000</b>

**GREAT BEAR RESOURCES LTD.**  
**Notes to the Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2020**

**6. Exploration and evaluation assets (continued)**

**a) Dixie Property (continued)**

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 project, located in the Red Lake district of Ontario, by paying \$80,000 over four years.

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) *
<b>Total</b>	<b>\$ 80,000</b>

\* The purchase was accelerated on November 19, 2018, where the Company accelerated the remaining payments totaling \$110,000 and acquired 100% in Dixie Property.

**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 29, 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 (paid)	-
August 29, 2019	\$ 14,000 (paid)	-
December 29, 2019	\$ 16,000 (paid)	-
August 29, 2020	\$ 16,000	-
December 29, 2020	\$ 20,000	-
August 29, 2021	\$ 20,000	-
<b>Total</b>	<b>\$ 144,000</b>	<b>400,000</b>

On May 22, 2019, Great Bear entered into an agreement with GoldON Resources Ltd. (TSX-V: GLD, "GoldON") wherein GoldON has the option to earn an initial 60% interest, and a subsequent 100% interest in Great Bear's West Madsen property.

In order to earn an initial 60% interest in the property, GoldON must:

(a) incur minimum exploration expenditures on the property, as follows:

- I. \$100,000 on or before the first anniversary of the Definitive Agreement;
- II. a cumulative total of not less than \$350,000 on or before the second anniversary of the Definitive Agreement;
- III. a cumulative total of not less than \$750,000 on or before the third anniversary of the Definitive Agreement; and

**GREAT BEAR RESOURCES LTD.**  
**Notes to the Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2020**

---

**6. Exploration and evaluation assets** (continued)

**b) West Madsen Property** (continued)

(b) pay cash to Great Bear as follows:

- I. \$50,000 within 10 days of signing a Definitive Agreement; (received)
- II. \$50,000 on or before the date that is 10 days after the first anniversary of the Definitive Agreement; and
- III. \$75,000 on or the date that is 10 days after the second anniversary of the Definitive Agreement; and

(c) issue common shares of GoldON to Great Bear as follows:

- I. 250,000 Shares within 10 days of signing the Definitive Agreement; (received)
- II. 250,000 Shares on or before the date that is 10 days after the first anniversary of the Definitive Agreement; and
- III. 375,000 Shares on or the date that is 10 days after the second anniversary of the Definitive Agreement.

In order to earn an additional 40% interest, for a total of 100% interest, GoldON must:

(a) incur additional exploration expenditures on the property of at least \$750,000 on or before the fourth anniversary of the Definitive Agreement, and

(b) pay \$500,000 cash or issue 500,000 Shares to Great Bear at GoldON's election on or the date that is 15 days after the third anniversary of the Definitive Agreement.

Great Bear will retain a 2.5% Net Smelter Return royalty after GoldON completes the initial 60% earn-in. GoldON shall have the right to buy back 1% of the Royalty for \$500,000 at any time prior to a production decision being made on all or part of the Property.

**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.

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.

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:

**GREAT BEAR RESOURCES LTD.**  
**Notes to the Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2020**

**6. Exploration and evaluation assets (continued)**

**c) BA Property and Surprise Creek Property (continued)**

Due Date	Cash	Post Consolidation Common Shares of Mountain Boy
August 20, 2017	\$ 150,000	received
September 1, 2017 (TSX approval date)	-	500,000
November 20, 2017	150,000	received
April 15, 2018	-	500,000
August 20, 2018	300,000	received*
April 15, 2019	-	500,000
August 20, 2019	350,000	received**
April 15, 2020	-	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	-
	<b>\$ 5,000,000</b>	<b>2,000,000</b>

\* Deferred to March 20, 2019 in exchange for additional Mountain Boy shares. On March 15, 2019, the Company received 323,000 shares of Ascot Resources Ltd ("Ascot") in settlement of the \$300,000 due from Mountain Boy to Great Bear. The fair value of these shares was \$293,930.

\*\* During the year ended December 31, 2019, the Company and Mountain Boy entered into an agreement to settle the cash payment of \$350,000 due on August 20, 2019 by the delivery to Great Bear of 425,000 freely tradeable shares of Ascot. Great Bear agreed to accept the Ascot shares as full settlement for the August 2019 payment. The fair value of these shares on the date of issuance was \$216,750.

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.

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

On October 18, 2018, Mountain Boy issued 120,000 (600,000 pre-consolidation) common shares to Great Bear in consideration for extending a cash payment due August 20, 2018 to March 20, 2019.

On October 26, 2018, Mountain Boy announced a share consolidation of five-old-for-one-new (5:1) common share in Mountain Boy. Trading on a post-consolidated basis began on November 12, 2018.

During the year ended December 31, 2019, the Company received 323,000 shares of Ascot Resources Ltd ("Ascot") in settlement of the \$300,000 due from Mountain Boy to Great Bear on March 20, 2019. The fair value of these shares was \$293,930, which was recorded as a recovery of the exploration and evaluation assets balance of \$146,965 against BA Property and \$23,045 against Surprise Creek Property. The remaining amount of \$123,920 was recorded as other income in the Statement of Loss and Comprehensive Loss.

During the year ended December 31, 2019, the Company received 500,000 (2,500,000 pre-consolidation) Mountain Boy shares valued at \$95,000.

During the three months ended March 31, 2020, the Company received 500,000 (2,500,000 pre-consolidation) Mountain Boy shares valued at \$120,000.

**GREAT BEAR RESOURCES LTD.**  
**Notes to the Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2020**

**6. Exploration and evaluation assets (continued)**

**d) Dedee Property, Pakwash Property and Sobel Property (“DPS Property”)**

On March 1, 2019, the Company acquired three properties in the Red Lake District of Northwest Ontario pursuant to the following terms:

	Dedee Property	Pakwash Property	Sobel Property	Total
Signing of agreement	\$ 6,000 (paid)	\$ 10,000 (paid)	\$ 10,000 (paid)	\$ 26,000 (paid)
Within 7 days of TSX Acceptance	15,000 shares (issued)	25,000 shares (issued)	30,000 shares (issued)	70,000 shares (issued)
One year after effective date	\$ 10,000	\$ 8,000	\$ 12,000	\$ 30,000 (paid)
Two years after effective date	\$ 12,000	\$ 12,000	\$ 20,000	\$ 44,000
Three years after effective date	\$ 16,000	\$ 15,000	\$ 20,000	\$ 51,000
Four years after effective date	\$ 24,000	\$ 20,000	\$ Nil	\$ 44,000

On March 11, 2019, the Company paid \$26,000 to 1544230 Ontario Inc. pursuant to the option agreement.

On April 5, 2019, the Company issued 70,000 shares pursuant to the option agreement. The fair value of these shares on the date of issuance was \$229,600.

On April 5, 2019, the Company elected to buy out all the outstanding royalties on the newly optioned properties (Dedee Property, Pakwash Property, Sobel Property) for total consideration of 38,500 shares of Great Bear. The fair value of these shares on the date of issuance was \$126,280.

The schedule of optional payments for all of the optioned properties can be accelerated at any time at the Company's discretion in order to achieve full ownership at an earlier date. The options may also be terminated at any time subsequent to the initial cash and share payment.

During the three months ended March 31, 2020, the Company paid \$30,000 to 1544230 Ontario Inc. pursuant to the option agreement.

**7. Accounts payable and accrued liabilities**

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

	Note	March 31, 2020	December 31, 2019
Accounts payable to third parties		\$ 864,590	1,114,741
Accrued liabilities to third parties		297,822	301,022
Accounts payable to related parties	10	20,738	2,625
Accrued liability to related parties	10	3,125	3,125
<b>Total</b>		<b>\$ 1,186,275</b>	<b>1,421,513</b>

Included in accrued liabilities is an amount of \$271,022 which has been outstanding for over ten 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.

**GREAT BEAR RESOURCES LTD.**  
**Notes to the Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2020**

**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:

<b>Balance at December 31, 2018</b>	<b>\$</b>	<b>813,400</b>
Liability incurred on flow-through shares issued during the year		6,520,000
Settlement of flow-through share liability on incurred expenditures		(2,566,551)
<b>Balance at December 31, 2019</b>	<b>\$</b>	<b>4,766,849</b>
Liability incurred on flow-through shares issued during the period		-
Settlement of flow-through share liability on incurred expenditures		(1,160,169)
<b>Balance at March 31, 2020</b>	<b>\$</b>	<b>3,606,680</b>

In July 2019, the Company issued 2,000,000 flow-through common shares at a price of \$5.45 per share for gross proceeds of \$10,900,000. A premium of \$1.17 per share was recorded for the flow-through shares.

In November 2019, the Company issued 2,000,000 flow-through common shares at a price of \$8.35 per share for gross proceeds of \$16,700,000. A premium of \$2.09 per share was recorded for the flow-through shares.

During the year ended December 31, 2019, the Company incurred \$10,852,142 of eligible flow-through expenditure, representing 100% of the flow-through share issuance in November 2018 and 75% of the flow-through share issuance in July 2019. A total premium liability of \$2,566,551 was amortized to Other Income on the Statement of Operations and Comprehensive Loss.

During the three months ended March 31, 2020, the Company incurred \$5,024,148 of eligible flow-through expenditure, representing 25% of the flow-through share issuance in July 2019 (therefore fulfilling this commitment) and 14% of the flow-through share issuance in November 2019. A total premium liability of \$1,160,169 was amortized to Other Income on the Statement of Operations and Comprehensive Loss.

**9. Share capital**

a) Authorized

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

b) Issued

Three months ended March 31, 2020

During the three months ended March 31, 2020, 593,774 common shares were issued upon warrant exercise for a total of \$659,837 and 46,000 shares were issued upon option exercise for gross proceeds of \$20,300. \$247,657 was reallocated from reserves to share capital.

Three months ended March 31, 2019

During the three months ended March 31, 2019, 574,872 common shares were issued upon warrant exercise for a total of \$691,015 and 238,000 shares were issued upon option exercise for gross proceeds of \$93,900. \$448,994 was reallocated from reserves to share capital.

Subsequent to the period ended March 31, 2019, 25,941 shares were issued for warrants exercised, gross proceeds of \$27,022, which were received during the three months ended March 31, 2019.



**GREAT BEAR RESOURCES LTD.**  
**Notes to the Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2020**

**9. Share capital (continued)**

c) Share purchase warrants

Warrant transactions are summarized as follows:

	<b>March 31, 2020</b>		<b>December 31, 2019</b>	
	<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	3,161,445	\$ 1.49	8,152,492	\$ 1.05
Granted	-	\$ -	142,117	\$ 1.75
Exercised	(593,774)	\$ 1.11	(5,031,802)	\$ 0.80
Expired	-	\$ -	(101,362)	\$ 0.83
Balance, end of period	2,567,671	\$ 1.58	3,161,445	\$ 1.49

As at March 31, 2020, the following warrants were outstanding and exercisable:

Warrants Outstanding	Warrants Exercisable	Exercise price	Weighted Average Remaining Life (in years)	Expiry date
475,300	475,300	\$ 0.70	0.15	May 23, 2020
2,092,371	2,092,371	\$ 1.75	0.45	September 11, 2020
2,567,671	2,567,671	\$ 1.56	0.39	

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 January 31, 2020, the Company granted an aggregate of 710,000 stock options to officers, directors, advisors and consultants of the Company, exercisable at \$8.67 per share for a period of five years. The options are subject to a four month hold period.

The fair value of stock options awarded in January 2020 was \$7.86 and was determined using the Black-Scholes Option Pricing Model with assumptions as follows:

	<b>March 31, 2020</b>	<b>December 31, 2019</b>
Expected dividend yield	0%	0%
Weighted average risk-free interest rate	1.29%	1.36-1.81%
Weighted average expected life	5 years	5 years
Weighted average expected volatility	143%	143-163%

The share-based compensation for the three months ended March 31, 2020 was \$5,852,125. From this amount, \$943,413 was capitalized to Mineral Properties as the options were granted to exploration staff and consultants.

**GREAT BEAR RESOURCES LTD.**  
**Notes to the Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2020**

**9. Share capital (continued)**

d) Stock options (continued)

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.

	<i>March 31, 2020</i>		<i>December 31, 2019</i>	
	<i>Number of stock options</i>	<i>Weighted Average Exercise Price</i>	<i>Number of stock options</i>	<i>Weighted Average Exercise Price</i>
Balance, beginning of period	3,832,500	\$ 1.93	3,349,000	\$ 0.91
Granted	710,000	\$ 8.67	1,060,000	\$ 4.79
Exercised	(46,000)	\$ 0.44	(576,500)	\$ 1.23
Balance, end of period	4,496,500	\$ 3.01	3,832,500	\$ 1.93

As at March 31, 2020, the following stock options were outstanding and exercisable:

Options Outstanding	Options Exercisable	Exercise price	Weighted Average Remaining Life (in years)	Expiry date
840,000	840,000	\$ 0.23	1.42	September 1, 2021
190,000	190,000	\$ 0.36	2.53	October 11, 2022
445,000	445,000	\$ 0.51	2.92	March 1, 2023
292,500	292,500	\$ 0.55	3.28	July 11, 2023
984,000	984,000	\$ 1.85	3.47	September 20, 2023
475,000	475,000	\$ 3.72	3.90	February 21, 2024
400,000	400,000	\$ 5.31	4.32	July 24, 2024
35,000	35,000	\$ 7.68	4.53	October 10, 2024
125,000	125,000	\$ 6.57	4.64	November 18, 2024
710,000	710,000	\$ 8.67	4.84	January 31, 2025
4,496,500	4,496,500		3.36	

**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 three months ended March 31, 2020 and 2019 are as follows:

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Director fees	\$ 15,000	\$ 15,000
Geological fees capitalized to resource properties	56,250	56,250
Management and consulting fees	118,000	71,000
Share-based compensation	3,186,984	633,149
Total	\$ 3,376,234	\$ 775,399

As at March 31, 2020, \$20,738 (December 31, 2019 - \$2,625) is payable to officers and director of the Company. The accrued liabilities included \$3,125 (December 31, 2019 - \$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.

**GREAT BEAR RESOURCES LTD.**  
**Notes to the Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2020**

**11. Supplementary cash-flow information**

Non-cash transactions are as follows:

	March 31, 2020	March 31, 2019
Finders' warrants	\$ -	\$ 140,846
Mineral properties and exploration expenditures included in accounts payable	\$ 558,319	\$ 421,985
Shares issued for acquisition of exploration and evaluation assets	\$ -	\$ -
Shares received for exploration and evaluation assets	\$ 120,000	\$ 293,930

**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 July 2019, the Company issued 2,000,000 flow-through shares and, as a result, committed to spend \$10,900,000 in qualifying expenditures in 2019 and 2020. As at March 31, 2020, 100% of this commitment was fulfilled (Note 8).

During November 2019, the Company issued 2,000,000 flow-through shares and, as a result, committed to spend \$16,700,000 in qualifying expenditures in 2019 and 2020. As at March 31, 2020, 14% of this commitment was fulfilled (Note 8).

c) Employment and Consulting Agreement

The Company has entered into an employment agreement with a director and 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 36 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 a director and 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 officer'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 officer an amount equal to 36 months of the officer'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.

**GREAT BEAR RESOURCES LTD.**  
**Notes to the Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2020**

**13. Financial and capital risk management** (continued)

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. 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 March 31, 2020 would have increased investments in equity instruments by \$130,263. 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 March 31, 2020 and December 31, 2019:

	Classification	Fair Value Hierarchy	March 31, 2020 Fair Value	December 31, 2019 Fair Value
Financial Assets:				
Cash	FVTPL	1	\$ 22,986,888	\$ 28,515,877
Investments in equity instruments	FVOCI	1	\$ 868,417	\$ 1,208,566

There were no transfers between Level 1, 2 and 3 in the year. The estimated fair value of financial instruments approximates their carrying values due to the short-term nature of these instruments.

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.

**GREAT BEAR RESOURCES LTD.**  
**Notes to the Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2020**

---

**13. Financial and capital risk management** (continued)

e) Fair Value Hierarchy (continued)

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 March 31, 2020, the Company is not subject to externally imposed capital requirements.

**14. 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.

**15. Subsequent events**

Subsequent to the three months ended March 31, 2020, the following events took place:

- On April 28, 2020, the Company announced that it received a final order from the Supreme Court of British Columbia dated April 28, 2020, and shareholder approval on April 23, 2020, for its proposed plan of arrangement to reorganize its business (originally disclosed on January 31, 2020), including the spinoff of its wholly owned subsidiary, Great Bear Royalties Corp. which holds a 2% net smelter return royalty on the Dixie Property. The Company completed the plan of arrangement on May 5, 2020.
- On May 12, 2020, Great Bear announced it has entered into an agreement with Canaccord Genuity Corp. to act as lead underwriter of a syndicate of underwriters, on a bought-deal private placement basis, pursuant to which the underwriters shall purchase 1,470,600 common shares that qualify as flow-through shares of the company for the purposes of the Income Tax Act (Canada) at a price of \$17 per flow-through common share, and 725,000 common shares of the Company at a price of \$11.04 per common share for aggregate gross proceeds of \$33,004,200. The gross proceeds from the flow-through common shares offering will be used to incur Canadian exploration expenses (within the meaning of the Income Tax Act (Canada) related to Great Bear's projects in Ontario. The company will renounce these expenses to the purchasers with an effective date of no later than December 31, 2020. The gross proceeds from the common shares will be used for general working capital. The offering is scheduled to close on or about June 2, 2020, and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals including the approval of the TSX Venture Exchange. The flow-through common shares and common shares will be subject to a four-month hold period from the date of closing of the offering.
- On May 19, 2020, pursuant to the agreement between Great Bear and GoldOn (Note 6b), the Company received 250,000 GoldOn shares valued at \$170,000, and on May 26, 2020, the Company received a cheque for \$50,000 in payment of the first-anniversary option amount.
- On May 26, 2020, Great Bear announced it has entered into an Exploration Agreement (the "Exploration Agreement") with Wabauskang First Nation ("WFN") and Lac Seul First Nation ("LSFN") in relation to Great Bear's exploration activities on its mining properties within the WFN and LSFN traditional territories. As part of the accommodation to LSFN and WFN under the Exploration Agreement, Great Bear issued an aggregate of one-hundred thousand (100,000) common shares ("Shares") in its capital stock to LSFN and WFN at a deemed price of \$11.55 equal to the market price on May 4, 2020 the date of issue, such shares to be divided equally between LSFN and WFN. The transaction remains subject to the final approval of the TSX Venture Exchange ("TSXV").
- Additional 568,285 shares were issued upon exercise of warrants for the total proceeds of \$495,434 and 114,000 shares were issued upon exercise of options for the total proceeds of \$179,700.