



# Royal Gold to Acquire Great Bear Royalties in an All-cash Transaction for C\$200 Million

TSX-V: GBRR

- Immediate and significant premium of 51.1% to the closing price on July 8, 2022 and 43.0% to the 20-day volume weighted average price
- All-cash offer that is not subject to a financing condition
- Voting support agreements entered into with all directors and officers, representing, in aggregate, 10.5% of Great Bear Royalties shareholders
- Removes commodity, construction, and execution risk associated with the Great Bear Project as well as future dilution risk

VANCOUVER, BC, July 11, 2022 /CNW/ - Great Bear Royalties Corp. (the "Company" or "Great Bear Royalties"; (TSXV: GBRR) today announced that it has entered into a binding agreement (the "Arrangement Agreement") with International Royalty Corporation ("IRC"), a wholly-owned subsidiary of Royal Gold, Inc. ("Royal Gold") to acquire all of the issued and outstanding common shares of the Company (the "Transaction").

Under the terms of the Transaction, Great Bear Royalties shareholders will receive all-cash consideration of C\$200 million, representing C\$6.65 per Great Bear Royalties common share on a fully diluted basis. The Transaction price represents a premium of 51.1% and 43.0% to the closing price and the 20-day VWAP, respectively, of Great Bear Royalties' shares on the TSX-V as at July 8, 2022.

Calum Morrison, President and CEO of Great Bear Royalties said, "After a thorough strategic review process, we are very pleased to provide this all-cash premium offer to our shareholders. Following the significant discoveries made by Great Bear Resources Ltd.'s exploration team in 2019, the spinout of a 2% NSR in 2020 into Great Bear Royalties aimed to provide shareholders with the best possible value accretion. Following the acquisition of Great Bear Resources by Kinross Gold Corporation for approximately C\$1.8 billion in early 2022, interest in Great Bear Royalties has been significant. We strongly support Royal Gold's offer to acquire the Company and encourage all shareholders to do so as well."

John Robins, Chair of the Board of Great Bear Royalties said, "The Great Bear saga represents one of the great Canadian gold discoveries of the past century. From the identification of a previously overlooked part of the Red Lake Camp and the application of best-in-class geoscience, the amount of value created for all stakeholders has been significant. The sale of Great Bear Royalties to Royal Gold is the culmination of value creation for our shareholders, and we very much look forward to following the development of the Great Bear Project."

## **Details of the Transaction**

The Transaction, which is not subject to a financing condition, will be implemented by way of a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia) and will require the approval of: (i) 66 2/3% of the votes cast by the holders of Great Bear Royalties Corp.'s common shares; and; (ii) "minority approval" in accordance with Multilateral Instrument 61-101, at a special meeting of Great Bear Royalties shareholders to be held to consider the Transaction (the "Special Meeting"). In addition to approval by Great Bear Royalties shareholders, the Transaction is also subject to the receipt of court approval, regulatory approvals, and other customary closing

conditions for transactions of this nature. The Transaction is expected to be completed in the third quarter of 2022.

The Arrangement Agreement provides for customary deal-protection provisions, including a non-solicitation covenant on the part of Great Bear Royalties and a right for IRC to match any Superior Proposal (as defined in the Arrangement Agreement). The Arrangement Agreement includes a termination fee of C\$7 million, payable by Great Bear Royalties, under certain circumstances (including if the Arrangement Agreement is terminated in connection with Great Bear Royalties pursuing a Superior Proposal). The directors and senior officers of Great Bear Royalties, owning in aggregate approximately 10.5% of Great Bear Royalties Corp.'s voting securities have entered into voting support agreements pursuant to which they have agreed to vote all the securities they own or control in favour of the Transaction.

## **Great Bear Royalties Board of Directors and Special Committee Recommendations**

A special committee comprised entirely of independent directors of Great Bear Royalties (the "Special Committee") and advised by its financial advisor and by counsel unanimously recommended entering into the Arrangement Agreement to the board of directors of Great Bear Royalties (the "Great Bear Royalties Board"). The Great Bear Royalties Board has evaluated the Arrangement Agreement with the Company's management, legal and financial advisors and, following the receipt and review of a unanimous recommendation from the Special Committee, the Great Bear Royalties Board has unanimously approved the Arrangement and determined that the Arrangement is in the best interest of the Company. The Great Bear Royalties Board has resolved to recommend that the Company's shareholders vote in favour of the Transaction, all subject to the terms and conditions contained in the Arrangement Agreement.

Fort Capital Partners has provided a fairness opinion to the Great Bear Royalties Board stating that, as of the date of such opinion and based upon and subject to various assumptions, limitations and qualifications therein, the consideration to be received by the Great Bear Royalties shareholders pursuant to the Arrangement Agreement is fair, from a financial point of view, to such holders.

Further details regarding the terms of the Transaction are set out in the Arrangement Agreement, which will be publicly filed by Great Bear Royalties under its profile at [www.sedar.com](http://www.sedar.com). Additional information regarding the terms of the Arrangement Agreement, the background to the Transaction, the rationale for the recommendations made by the Special Committee and the Great Bear Royalties Board and how Great Bear Royalties shareholders can participate in and vote at the Special Meeting to be held to consider the Transaction will be provided in the management information circular for the Special Meeting which will be mailed to shareholders and also filed at [www.sedar.com](http://www.sedar.com). Shareholders are urged to read these and other relevant materials when they become available.

## **Advisors and Counsel**

Cormark Securities Inc. and GenCap Mining Advisory Ltd. are acting as co-advisors to Great Bear Royalties, and Blake, Cassels & Graydon LLP is acting as Great Bear Royalties' legal counsel. Fort Capital Partners is acting as financial advisor to the Special Committee.

## **About Great Bear Royalties Corp.**

Great Bear Royalties Corp. is a precious metals royalty and streaming company. The Company's principal asset is a 2% Net Smelter Royalty on Kinross Gold Corporation's Great Bear Project located in Northwestern Ontario. The Great Bear Project is Canada's newest major gold discovery, with one of the largest exploration programs in the country currently underway (\$75 million / +200,000m of drilling) with an objective to further establish its status as a potential Tier 1 gold

project.

## **About Royal Gold, Inc.**

Royal Gold is a precious metals stream and royalty company engaged in the acquisition and management of precious metal streams, royalties and similar production-based interests. As of June 30, 2022, Royal Gold owned interests on 185 properties on five continents, including interests on 41 producing mines and 19 development stage projects. Royal Gold is publicly traded on the Nasdaq Global Select Market under the symbol "RGLD."

**Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.**

## **Forward Looking Statements**


This news release contains "forward-looking information" or "forward-looking statements" within the meaning of applicable securities legislation. Forward-looking information is provided as of the date of this news release and the Company does not intend to and does not assume any obligation to update forward-looking information, except as required by applicable law. For this reason and the reasons set forth below, investors should not place undue reliance on forward looking statements.

Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements and information include, but are not limited to: with respect to the consummation and timing of the Transaction; approval by Great Bear Royalties' shareholders; the satisfaction of the conditions precedent to the Transaction; the strengths, characteristics and potential of the Transaction; timing, receipt and anticipated effects of court, regulatory and other consents and approvals; anticipated benefits of the Transaction. By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, amongst others, risks related to failure to receive approval by Great Bear Royalties shareholders, the required court, regulatory and other consents and approvals to effect the Transaction, the potential of a third party making a superior proposal to the Transaction, the possibility that the Arrangement Agreement could be terminated under certain circumstances.

Forward-looking statements are based on a number of material assumptions, which management of the Company believe to be reasonable, including, but not limited to, the continuation of the exploration, development and mining operations from which the Company may purchase precious or other metals or in respect of which the Company may receive royalty payments, that commodity prices will not experience a material adverse change, exploration, development and mining operations that underlie any royalties will operate in accordance with disclosed parameters and such other assumptions as may be set out herein.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results to not be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Readers of this news release should carefully review the risk factors set out in the Company's management discussion and analysis dated May 9, 2022.

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