

Bonterra Resources Inc. (TSXV:BTR) JV Unleashes Gladiators Full Potential

Exploration Update

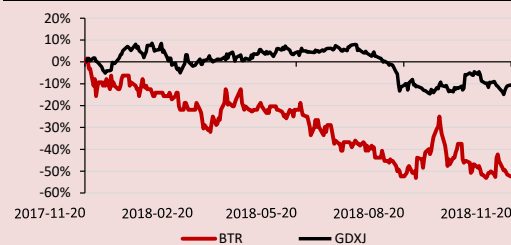
(Currency is CAD\$ unless noted otherwise)

Closing Price		\$3.04
Consensus NAVPS		NA
52 Week Low / High	\$2.85 /	\$6.60
Consensus P/NAV		NA
CAPITALIZATION		
	Basic	Diluted
Shares Outstanding (M)	46.0	51.8
Market Capitalization (\$MM)		\$139.8
Enterprise Value (\$MM)		\$128.1
Last Reported Quarter Cash (\$MM)		\$11.7
Total Debt (\$MM)		\$0.0

STOCK CHART*



RELATIVE PERFORMANCE*



*Adjusted for 10 for 1 share consolidation announced on Nov. 1, 2018.

RELATIVE VALUATION	US\$EV/oz AuEq	P/NAV
Peer Group Average*	\$30	0.38x
Bonterra Resources Inc.	\$65	NA

*Capital IQ Consensus

MAJOR SHAREHOLDERS

Management (8.43%), Kirkland Lake Gold Ltd. (8.32%), Van Eck Associates Corporation. (5.55%), Sprott Asset Management, LP. (5.2%), M&G Investment Management Limited. (4.4%), Sentry Investments Corp. (2.24%)

DISCLOSURE CODE: 1,2,3,4

(Please refer to the disclosures listed on the back page)

Source: RCKS, Company Information, Capital IQ

Company Description

Bonterra Resources Inc., an exploration stage company, engages in the acquisition, exploration, and evaluation of mineral properties in Canada. The company explores for gold and silver deposits. It holds interest in the Gladiator Deposit, the Moroy Deposit and Bonterra Mill, and the Barry Deposit located in the provinces of Ontario and Quebec, Canada. The company was incorporated in 2007 and is headquartered in Vancouver, Canada.

Impact: Positive

Bonterra has provided an exploration update on its Gladiator deposit following its Duke JV, where the company highlighted two new zones along strike from the current deposit. **Results support our theory of a large high-grade system at Gladiator, which underpins the company's ~190koz/year production potential by 2020E, with the addition of the nearby Moroy and Barry deposits.**

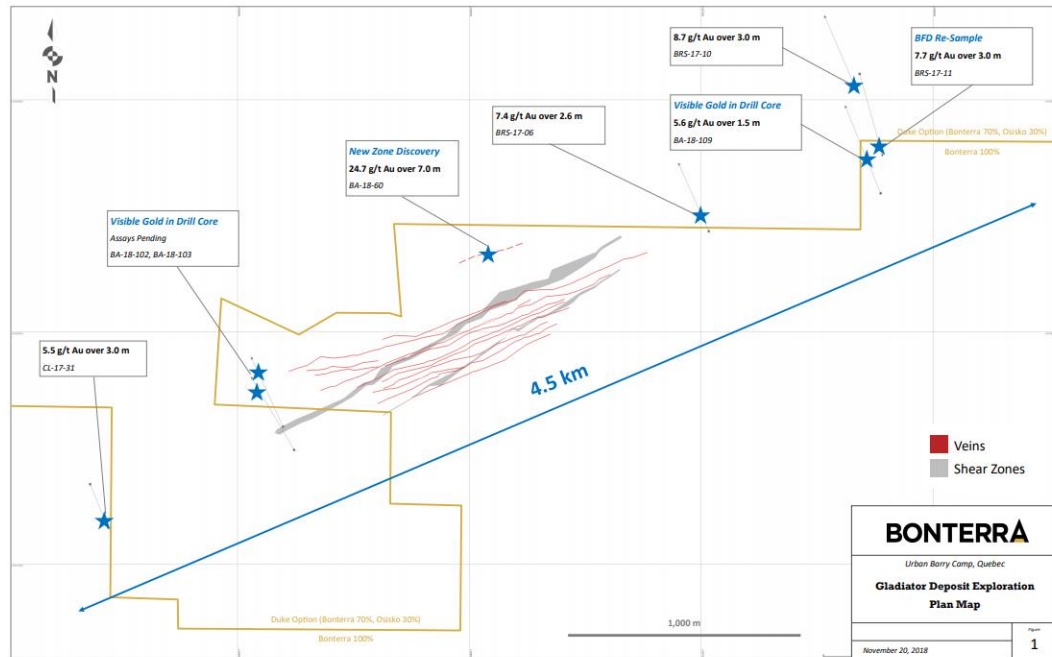
Highlights:

- **A Titan next to Gladiator.** The recent JV with Beaufield Resources (now Osisko Mining) has revealed exciting new potential for the company at its Gladiator deposit. Historic holes BRS-17-10 & 11 were drilled and logged by Beaufield and have now been re-sampled by Bonterra and with the addition of 3 additional drill holes, have defined the Titan zone, 2km NE of the main Gladiator deposit. The Coliseum zone, 1km SW of Gladiator, has also been defined by the company through one drill hole, which returned 5.5g/t Au over 3m (Figure 1).
- **JV unleashes Gladiator's full potential.** What is most important to highlight is that these two new mineralized zones are open in all directions and have identical characteristics to the main Gladiator deposit, which suggests the potential extension of Gladiator to a strike length of 4.5 km, a 2.5x increase from 1.3km. We have previously highlighted that we see ~2Moz of high-grade potential at Gladiator when the mineralized footprint was confined to 1.3km in strike and tested to a 1.1km depth. A mineralized 4.5km strike opens up a lot of additional potential for resource expansion.
- **Resource update is imminent.** We expect follow-up drilling to confirm the presence of the high-grade mineralization between zones. Holes BA-18-102 & 103 have already been drilled between Gladiator and Coliseum and have revealed visible gold, which supports this theory. We expect the imminent resource update to highlight the scale of the mineralized system to the market.

Valuation:

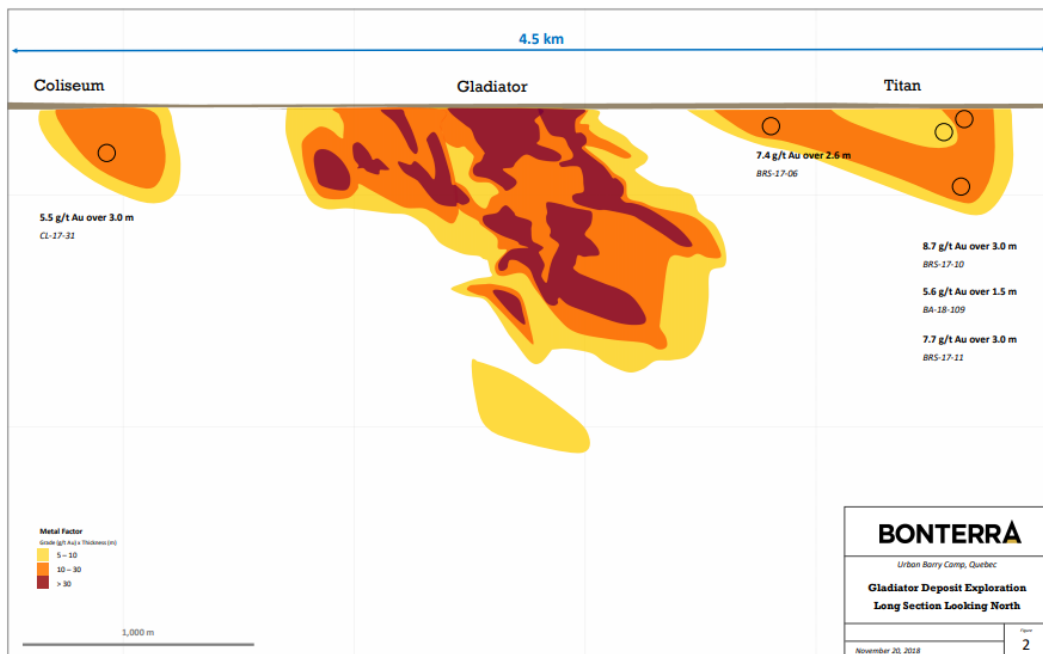
Resource growth is expected to drive a re-rating. Based on currently reported resources for Gladiator, Barry and Bachelor, Bonterra trades at US\$65/oz, a premium to peers but once we factor in our estimate of ~C\$50M for the Bachelor mill, and what we expect may eventually be a ~2M oz Au deposit at Gladiator, Bonterra would trade at a substantial discount to peers at US\$24/oz. **Upcoming catalysts** include, 1) Gladiator resource update and 2) Ongoing exploration results.

Figure 1: Gladiator Plan Map



Source: Company Reports

Figure 2: Gladiator Long Section



Source: Company Reports

Figure 3: Comparable companies

Company	Ticker	Price (C\$/sh)	YTD Perf.	Shares (M)	Mkt. Cap C\$M	Cash C\$M	Debt C\$M	EV C\$M	US\$EV/oz AuEq	Consensus P/NAV
Bonterra Resources Inc.	TSXV:BTR	\$3.04	-48%	46	\$140	\$12	\$0	\$128	\$65	NA
Anaconda Mining Inc.	TSX:ANX	\$0.20	-50%	119	\$24	\$4	\$1	\$21	\$9	0.15x
Osisko Mining Inc.	TSX:OSK	\$2.54	-25%	263	\$667	\$102	\$0	\$565	\$56	0.64x
Marathon Gold Corporation	TSX:MOZ	\$0.69	-40%	165	\$114	\$6	\$0	\$108	\$25	0.36x
IDM Mining Ltd.	TSXV:IDM	\$0.06	-48%	481	\$26	\$4	\$0	\$23	\$21	0.33x
Radisson Mining Resources Inc.	TSXV:RDS	\$0.12	-41%	134	\$16	\$0	\$0	\$16	\$28	NA
Victoria Gold Corp.	TSXV:VIT	\$0.36	-17%	786	\$283	\$58	\$13	\$237	\$39	0.42x
Median Average									\$26	0.36x
Average									\$30	0.38x

Source: Company Reports

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Company Specific Disclosure Details

Company Name	Ticker Symbol	Disclosures
Bonterra Resources	TSXV:BTR	1,2,3,4

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