

GLR RESOURCES INC.

May 2, 2005

TSX: GRS **\$0.43**

Recommendation: **SPECULATIVE BUY**

12-Month Target: **\$1.50**

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GLR Provides Box Gold Mine Resource Estimate Update

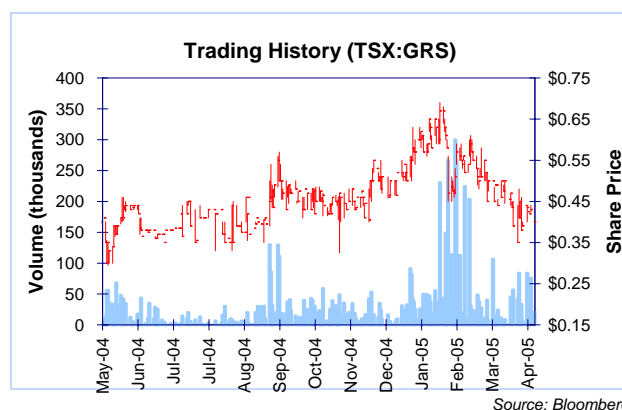
Event:

Updated resource for Box deposit – Goldfields project.

Highlights:

- GLR reported an update of the mineral resource estimate at the Box Gold Mine on the Goldfields Project in the Uranium City mining camp of Northern Saskatchewan.
- This resource, as calculated by AMEC, is estimated at 14,166,000 tonnes grading 1.77 g/t gold for approximately 808,000 ounces of contained gold for the Box mine alone
- This new estimate compares favourably with studies conducted by others previously and with the values reported in our recent report as tabulated below.
- The resource shows a modest increase of close to 10% in tonnage over the average of the previous estimates while maintaining the gold grade.
- The new mineral resource is at the inferred level at this time due to the current progress of the confirmation drilling being conducted as part of the ongoing feasibility study to bring the Box and Athona gold resources to production.
- We expect the feasibility study on this project to be completed by July 2005. This study will include a reserve estimate for the project.

52-week High-Low \$0.69-\$0.295
Shares outstanding 29.7 million
Market capitalization \$12.8 million
Fiscal year end December 31



Company Description

GLR Resources is a junior exploration and development company focusing on placing its Goldfields project into commercial production and developing resources on its highly prospective exploration properties in Canada. The Goldfields project could produce more than 40,000 ounces per year during its 10-year mine life. There are excellent opportunities to increase production and/or mine life from additional prospects near the known resource.

Investment Recommendation:

We continue to recommend the shares of GLR based on our expectation of a positive feasibility study for the Box and Athona mine developments. As well there is substantial value associated with the dividend of shares in Uranium City Resources. GRS remains a speculative buy.

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Inferred Resources (1)

Source	Tonnes (000)	Au (g/t)	Au ounces	Cut to
AMEC	14,166	1.77	808,000	60 g/t
Pearson Hoffman	12,500	1.99	799,000	30 g/t
Simons(2)	13,340	1.704	707,020	17 g/t
NSI Report(3)	10,794	1.97	680,000	17 g/t

(1) Inferred resources are indicative of gold mineralization as a whole based on a 0.5g/t cut off, measured or indicated at the Box mine will be less than the present inferred resource.

(2) Additional drill holes have been completed at the Box mine since the Simons 1995 feasibility study and where used in the 1998 Pearson Hoffman study.

(3) Based on a 0.67 g/t cut off and reported as proven and probable reserves in 1995 study by Simons/WGM.
Source: Company Reports

Recommendation

This interim resource provides an update on the work being conducted for the feasibility study of bringing the Box and Athona gold deposits into production. As such, it shows that the work is confirming the gold resource as defined by previous studies with a modest expansion for the Box resource. We believe this points to a positive feasibility results for the development of this deposit with the report expected in July of this year. The 1995 feasibility study results are given in our recent report of February 24, 2005, which indicated an economic project with an IRR of 41.3%. This expectation forms the basis of our valuation for GRS. As well, current shareholders of GRS will receive 400 shares of Uranium City Resources (UCR) for every 1000 shares of GRS. This distribution is expected to occur later in May 2005 and provides additional value to this stock. **We continue to recommend the Shares of GLR as a Speculative Buy and see now as a very good time to buy due to the UCR distribution.**

Investment Opinion Definition

STRONG BUY:	NSI expects the share price to appreciate 30% or more over the next 12 months.
BUY:	NSI expects the share price to appreciate 10% to 30% over the next 12 months.
HOLD:	NSI expects the share price to appreciate 10% or less over the next 12 months.
SELL:	NSI expects the share price to have a negative rate of return over the next 12 months.
SPECULATIVE BUY:	NSI expects the share price to appreciate substantially over the next 12 months, but with a high level of inherent risk.

Note: Percentages are approximate and ratings are at the analyst's discretion.

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Within the past 12 months, the analyst responsible for preparing this report received compensation based on investment banking revenue from GLR Resources Inc.

Within the past 12 months, Northern Securities Inc. managed or co-managed a public offering of securities for GLR Resources and Uranium City Resources, a company related to GLR Resources Inc.

Within the past 12 months, Northern Securities Inc. received compensation for investment banking services from GLR Resources Inc.

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