

Glen Eagle Resources Inc. (TSX-VEN: GER)



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Ubika Model Price (UMP)

\$0.96

Ubika Rating

Undervalued

Risk

High

Price (May 4, 2011)

\$0.335

Gap to UMP

187%

52 Week Range

\$0.10 – \$0.425

Share O/S

34.48 Million

Market Capitalization

\$11.55 million

Lithium junior with good potential, and a triple play option on Phosphate and Gold

- ❖ **Projects in prolific lithium bearing region:** Glen Eagle owns 19 claims (654 hectares) at the Authier property in Quebec, which neighbours Canada Lithium's project. Glen Eagle also owns another 19 claims (922 hectares) in Leblanc, next to the Canada Lithium property.
- ❖ **Good Lithium resource potential with base established:** Glen Eagle now has NI 43-101 compliant resource at Authier as follows: 4.17 million tonnes @ 1.04% Li₂O (Indicated) and 2.29 million tonnes @ 1.00% Li₂O (Inferred). With its Indicated resources at 75 metres from the surface, further potential exists to develop the confidence level and increase the resource base.
- ❖ **Aggressive development program for 2011:** Glen Eagle has just completed a 4,000m (metre) drill program in Authier, adding additional resources to the project.
- ❖ **Provides exposure to Phosphate and Gold:** Through its recently optioned Lac Lisette property, Glen Eagle provides an exposure to Phosphate, as it neighbours D'arianne Resources' (TSX-VEN: DAN) phosphate project in Quebec. Its Souart property optioned to Key Gold (TSX-VEN: KGH) will provide risk free exposure to gold.
- ❖ **Strong management team:** Glen Eagle's management team has skills and experience to develop the company further, which has been well demonstrated in the company's ability to quickly turn around the drilling results (starting in September 2010) to an NI 43-101 compliant resource estimate. The team has decades of experience and knowledge in financing to advance it through the development phases.
- ❖ **We find Glen Eagle a Lithium play with potential exposure to Phosphate and Gold:** We rate Glen Eagle as 'Undervalued' and our Ubika Model Price (UMP) is \$0.96 (based on Lithium deposit alone), which is a 187% upside to the closing price on May 4, 2011.

Investment Summary

Ubika Research is initiating coverage on Glen Eagle Resources. (TSX-VEN: GER), an early stage primarily Lithium exploration company focused on the Authier project, a mineral-based Lithium venture in the province of Quebec in Canada.

Why Glen Eagle?

- ❖ **Significant resource established** with 4.17 million tonnes @1.04% Li₂O (Indicated) and 2.29 million tonnes @ 1.0% Li₂O (Inferred). Its Indicated resource is located within 75 metres from the surface and has the potential to grow substantially.
- ❖ **Well established neighbours** include the Quebec Lithium property of Canada Lithium (TSX: CLQ), which is 27 km away from Authier, and soon to be a producing lithium mine.
- ❖ **Additional option through its phosphate and gold properties** is available to investors. Glen Eagle recently acquired an option to develop a phosphate property, which has shown good anomalies similar to its neighbour D'arianne Resources' (TSX-VEN: DAN), which is 50 km away along the same road, giving access to both properties. The phosphate project brings significant blue sky opportunities for Glen Eagle. Glen Eagle's Souart gold property, which is in the process of being optioned to Key Gold (TSX-VEN: KGH), offers investors a risk free play on gold. Souart has historical resources of 110,000 oz of gold grading 6.2 grams. Key Gold has just completed a small drilling campaign on the property and is awaiting results.
- ❖ **Strong management and the ability to raise funds** give Glen Eagle the means to continue to develop in 2011. Its strong management team has shown great potential in a very short time frame, keeping share dilution to a minimum, establishing a good resource base and making strategic decisions that are poised to grow value for shareholders.

The Authier lithium property – comprising one block totalling 19 claims covering 654 hectares – currently contains NI 43-101 compliant total of 6.46 million tonnes @1.03% Li₂O in Indicated and Inferred category (measured at 0.8% Li₂O cut-off). The drill program in 2010 has shown that the pegmatite-bearing zones is open at depth. The Authier property is located close to Canada Lithium project, which has shown a big potential resource base and a mining plan including project financing is being developed. The project is accessible by highway and an all-weather gravel road. It is located within short distances to mining towns and is surrounded by various mining companies, with gold, silver and other mineral deposits.

Encouraged by the success of its 1,900m drilling program in 2010, Glen Eagle has embarked on a much larger 4,000m drilling program for 2011. The early drill results from several holes assayed thus far have been providing encouraging results, including 1.09% Li₂O over 54 metres, and another hole at 1.25% Li₂O over 34.5 metres

Glean Eagle has also recently acquired 159 claims in its Lac Lisette property, which is a phosphate bearing property in Quebec. This property is near Arianne Resource's Lac à Paul project, which is a Phosphorus-Titanium Mine located in the Quebec province of Canada, about 50 km away from Lac Lisette. The Lac a Paul project has a NI 43-101 compliant resource of 78.3mt (mln tonnes) at 7.24% P₂O₅ (Indicated) and 260.2mt at 5.7% P₂O₅ (Inferred), and has completed a scoping

study. The phosphate bearing anomaly found in Lac Lisette is very similar to the Lac a Paul project, and importantly is a long 14 km zone that could bear good potential. Initial grab samples at the project have indicated good grade of phosphate. Glen Eagle is planning to further develop this property in 2011 through sampling and trenching.

Ubika Research expects Glen Eagle to eventually have a Feasibility study conducted at the Authier property and further develop the resources base to potentially 10 million tonnes and improve on the confidence level of the existing resource base.

We believe that the key driver for the growth in global lithium demand is well established at this stage, by the push to non-oil or low carbon alternatives in transportation and also the growing demand for batteries of all sizes for a variety of modern day applications. The supply for lithium is essentially stagnant and new supply is not yet well established. We believe this will continue to drive the Lithium price forward in good measure.

With the transportation sector expected to be a demand driver for future lithium use, the supply chain in this sector usually looks for stable sources of supply and thus isn't shy of taking strategic equity positions and/or signing long-term off-take contracts. Ubika Research believes that Glen Eagle is currently better positioned to take advantage of the market situation once it further proves the existence of Lithium deposits.

We believe that the company is undervalued compared with its peers at present. We estimate that the current ratio of its market cap to Lithium Carbonate Equivalent (LCE) resource base is under \$33, whereas comparable companies in the region and spodumene-based (A greenish to pinkish or lilac mineral, $\text{LiAlSi}_2\text{O}_6$, used as a source of lithium.) are being offered valuation at \$98 per tonne LCE. As such, we rate Glen Eagle as Undervalued with an Ubika Model Price of \$0.96 per share. This represents an upside potential of 187% to the closing price of \$0.335 on May 4, 2011

Major Investment Highlights

Has established a good resource base

- Glen Eagle's Authier lithium property is located near Val d'Or, Quebec, and is 27 km away from Canada Lithium's (TSX: CLQ) property, which is soon to be developed into a mine.
- Glen Eagle has recently announced its first NI 43-101 compliant resource estimate at its Authier property of 4.17 million tonnes @ 1.04% Li₂O in the Indicated category and 2.29 million tonnes @1.0% in the Inferred category. The company believes this is the good base and expects to further increase its NI 43-101 compliant Lithium resource base thorough a defined 4000m drilling program in 2011. Increased resources estimates should come as a result.
- Beyond this announcement, we believe that in the medium term, the company will have an ongoing Feasibility Study at Authier that would establish the economic value of the resource base.
- The company has also secured development rights to a phosphate property in Quebec, which has a large 14 km long anomaly, similar to the Arianne Resources (TSX: DAN) phosphate property located 50 km away.
- With the excellent initial NI 43-101 announcement from Glen Eagle, there could be further positive development that may arise from this over the course of this year and next. Further improvement in the resource estimate at Authier may put Glen Eagle into play, given its close proximity to a soon to be producing Lithium mine.

Exposure to low-risk, high-potential deposits

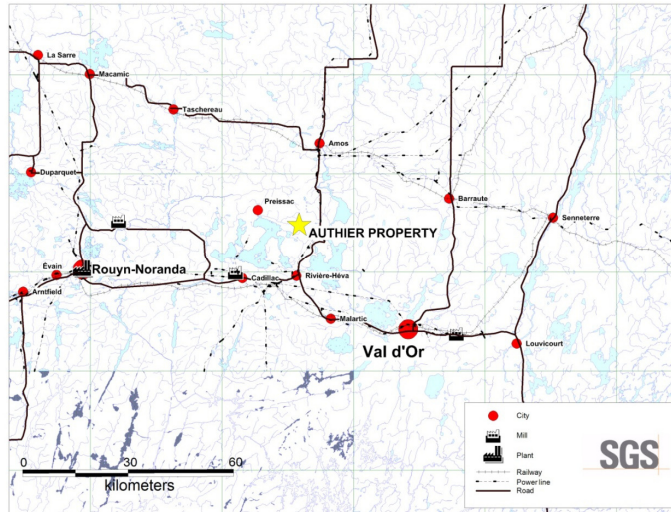
Glen Eagle offers investors exposure to primarily Lithium mineral through its Authier property, along with a high potential to benefit from a Phosphate play through the recently acquired claim options at the Lac Lisette property, and risk-free exposure to Gold through its Souart property that was optioned to Key Gold. All these properties are in Quebec, offering political risk-free exposure. Below, we list GER's collection of properties:

Glen Eagle Resource's Properties					
Country	Project Name (State/Province)	Size	Ore type	Ownership	Notes
Canada	Authier (Quebec)	19 claims (654 hectares)	Lithium rocks	3 claims through staking, rest are under options	16 optioned claims carry 1.5%-2% NSR + cash + share to be provided over time.
	Leblanc (Quebec)	19 claims (922 hectares)	Lithium rocks		
	Lac Lisette (Quebec)	159 claims	Potassium	Optioned from Multi-Ressources Boréal	1.5% NSR repurchasable at \$1.5m. Work commitment required of \$1 Mln over 3 years
	Souart (Quebec)		Gold	Optioned to Key Gold (TSXV: KGH)	Once approved by TSXV, GER will receive 750k shares of KGH plus \$40,000, to be increased to 4m shares and 490K cash if option is exercised over 3 years

Source: Company reports, Ubika Research

Authier Property (Lithium resource)

The Authier property (“Authier”) is currently the most active in Glen Eagle’s portfolio. Located in the Abitibi-Témiscamingue Region of the Quebec, Authier is approximately 45 km northeast of the city of Val d’Or and 15 km north of the town of Rivière Héva

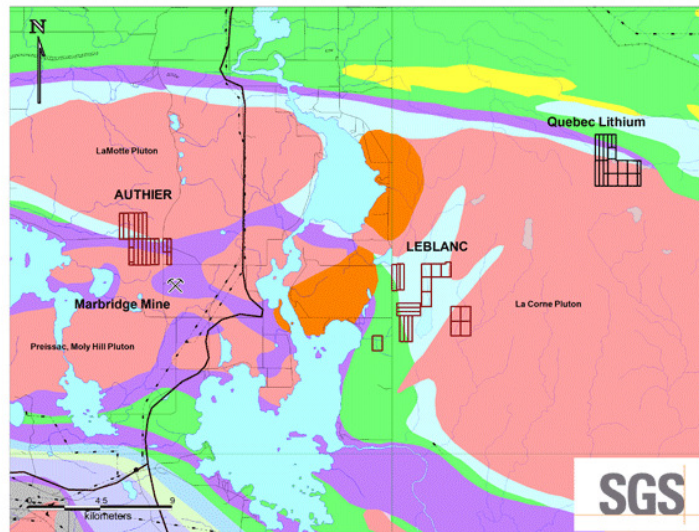


The Authier property comprises one block totalling 19 claims covering 654 hectares. The claims are located in the La Motte (17 claims) and Preissac Township (two claims). The property area extends 3.4 km in the east-west direction and 3.1 km north-south.

The area surrounding the property, which is located between Val d’Or, Amos and Malartic, is well known for mineral exploration

activity, especially for gold, copper and zinc. Several exploration properties owned by different companies surround the Authier property.

Importantly, the Authier property is located 27 km West of Quebec Lithium property owned by Canada Lithium Corporation (TSX: CLQ). CLQ is an advanced stage Lithium company soon to be a producer and has NI 43-101 resource estimate of 46.7mln tonnes @ 1.19% Li₂O (Measured and Indicated) and 57.6mln tonnes @ 1.18% Li₂O (Inferred) on its Quebec Lithium property. (NOTE: CLQ has since appointed an independent consultant to verify the above resource estimate.) The lithium deposit at the Quebec Lithium property occurring in a series of spodumene-bearing pegmatite dykes share strong similarities with the mineralized pegmatite intrusion observed at the Authier property.



Aside from the Authier property, the company owns 19 other claims separated into five distinct blocks called the Leblanc claims. These claims are located approximately 13 km east of Authier and cover a total of 922 hectares.

Historically, drilling on Authier property has been done since 1966 and has consistently shown intersected pegmatite zones that have indicated the presence of spodumene bearing material of varying degrees of concentration.

Glen Eagle began working on Authier in September 2010 with a first exploration program that lasted until early December. During the fall 2010 exploration program, 18 diamond drill holes were completed. All successful drill holes have intersected pegmatite zones. In addition to drilling, 53.5 line-km of ground magnetic surveying were completed on the Property in November 2010. The drilling conducted at Authier during the 2010 exploration programs totals 18 holes for 1905m. The mineralization observed at the Authier project in the spodumene-bearing pegmatites is principally lithium, with a trace amount of beryllium, molybdenum, tantalum, niobium, cesium and rubidium.

Encouraged by the success of the 2010 program, Glen Eagle has embarked upon a 4,000-metre drilling program in 2011. The early result from this program has been equally encouraging. Below, we list the drill results from the 2010 and 2011 program to date.

Glen Eagle- Authier: Recent Drill Results						
Drill Program	Hole #	Drill Results				
		From (m)	To (m)	Interval (m)	Li ₂ O(%)	Notes
2011 (4,000 Mts) drill program	AI-11-01	142.5	171.0	28.5	1.09%	
	AI-11-02	120.0	133.5	13.5	0.61%	Includes 4.5m @ 1.08%
	AI-11-24	121.5	175.5	54.0	1.09%	Includes 22.5m @ 1.38%
	AI-11-23	114.0	130.5	16.5	0.81%	Includes 7.5m @ 1.05%
	AI-11-15	150.0	184.5	34.5	1.25%	Includes 25.5m @ 1.36%
	AI-11-03	52.5	72.0	19.5	1.06%	
	AI-11-05	120.0	133.5	13.5	0.72%	
	AI-11-07	60.0	75.0	15.0	0.93%	Includes 9.0m @ 1.07%
	AI-11-08	117.0	127.5	10.5	1.02%	Includes 7.5m @ 1.31%
2010 (2,000 Mts) drill program	AI-10-16	48.0	92.5	44.5	1.08%	Includes 21.0m @ 1.27%
	AI-10-18	60.0	64.5	4.5	0.68%	
	and	76.5	82.5	6.0	0.71%	
	AI-10-01	71.6	125.1	53.5	1.30%	Includes 45.0m @ 1.44%
	AI-10-06	6.6	15.1	8.6	1.17%	
	and	32.7	41.4	8.7	0.81%	
AI-10-07	38.6	79.5	41.0	0.82%	Includes 23.0m @ 1.05%	

Source: Company reports, Ubika Research

Using the assays obtained from the 1,900m drilling programme done in 2010 and the data collected from historical drills since 1966, totalling over 72 drill results, Glen Eagle obtained a NI 43-101 compliant resource estimate for Authier, which was compiled by SGS Canada. It shows the presence of a significant amount of Lithium bearing metal at 0.8% Li₂O cut-off of more than 6.4 million tonnes @ 1.03% Li₂O in indicated and inferred categories. The details of the NI 43-101 compliant resources are given below:

Authier Property NI 43-101 resource est - 0.8% Li ₂ O cut-off				
Category	Tonnes	Li ₂ O grade	Li Metal (tonnes) ¹	Li ₂ CO ₃ Mt eq. ¹
Indicated	4,167,000	1.04%	20,129	230,682
Inferred	2,290,000	1.00%	10,636	121,897
TOTAL	6,457,000	1.03%	30,765	352,578

Source: Company Reports, Ubika Research

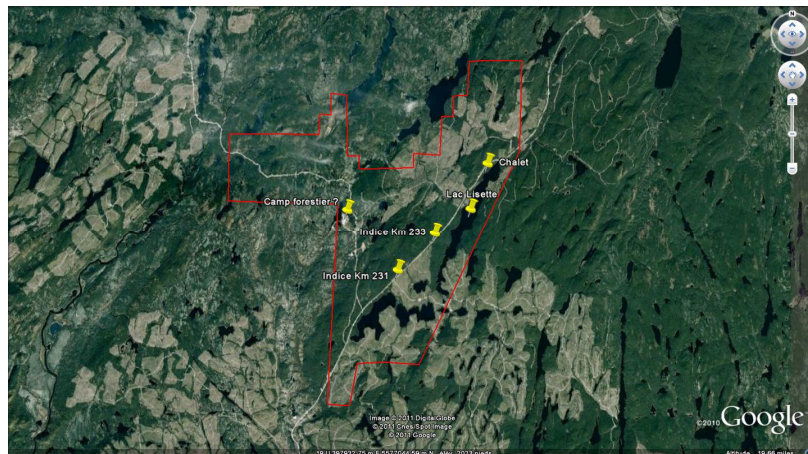
¹ Conversion factors: Li: Li₂O: Li₂CO₃ = 1.00:2.153:5.323

The base case cut-off Li₂O grade for the NI-compliant mineral resource estimate was defined using a conceptual economic model based on an eight to 10 years of open pit mining operation feeding a 2,500 tonnes per day (tpd) concentrator where a 6% Li₂O spodumene concentrate is produced by floatation. The conceptual net metal value per tonne milled was estimated using 80% mill recovery and \$280/tonne for a 6% spodumene concentrate totalling \$37.30/tonne milled. This model returned a breakeven Li₂O grade of 0.87% Li₂O, which justified the use of 0.80% Li₂O cut-off grade as the base case for the resource estimate of the Authier pegmatite.

On Feb. 22, 2011, Glen announced that it had engaged Bumigene Inc. to update the historic Pre-Feasibility Study (PFS) (done in 2001 by previous operator) to NI 43-101 compliance for a mine producing Lithium Carbonate, with a 10-year Life of Mine (LOM). Ubika Research expects this PFS to be released before the end of 2011. Additionally, we believe the current 4,000m drilling program is likely to increase the resource estimate and push part of the inferred resource (currently at 2.3 million tonnes) to the higher confidence level of Indicated resource in this PFS. The current Indicated mineral resources of 4.1 million tonnes are within 75 metres of the surface.

Lac Lisette, Quebec (Phosphate resource)

Another recent and potentially exciting announcement (on March 8, 2011) was the acquisition of 159 claims of the Lac Lisette phosphate property 150 km north of Lac-St-Jean in Quebec. The potentially exciting element of this acquisition is that Lac Lisette is located 50 km north of Arianne Resources (TSX-VEN: DAN) phosphate property called Lac a Paul. The Lac Lisette property has similar airborne and geological signatures as that of the Lac à Paul project, which is a Phosphorus-



Titanium Mine and has a NI 43-101 compliant resource of 78.3 mt at 7.24% P₂O₅ (Indicated) and 260.2mt at 5.7% P₂O₅ (Inferred), and has completed a scoping study.

While it is still very early, two grab

samples in a magnetite layer of the intrusive complex have returned 7.2% and 7.5% P₂O₅ (phosphate), 11% titanium oxide (TiO₂) and 60% iron oxides (Fe₂O₃). The property also shows a large 14 km long airborne magnetic anomaly underlying most of the property, which suggests a strong continuity for the phosphate bearing layer.

Acquired from Multi Resources Boreal for an initial \$50,000, Glen Eagle is further obliged to pay four annual payments of \$50,000 each (no shares of GER), wherein the seller retains a 1.5% Net Smelter Return (NSR) royalty that can be repurchased by GER for \$1.5 million.

Ubika Research believes that this property has good potential and will help Glen Eagle diversify and reduce the risk to its shareholders. We believe that in 2011 the company will concentrate its efforts on this property by way of sampling and trenching to further gauge the potential of additional drilling in the future. We expect Glen Eagle to spend a minimal amount in the \$750,000 to \$1,000,000 range on this property.

Souart property (Gold resource)

Glen Eagle has signed an agreement (which should be ratified by TSX soon) wherein it has optioned the property to Key Gold (TSX-VEN: KGH) in return for 750,000 shares of KGH and a \$40,000 payment to Glen Eagle. If the option is exercised, Glen Eagle will receive four million shares of Key Gold and \$490,000 in cash payment over a three-year period.

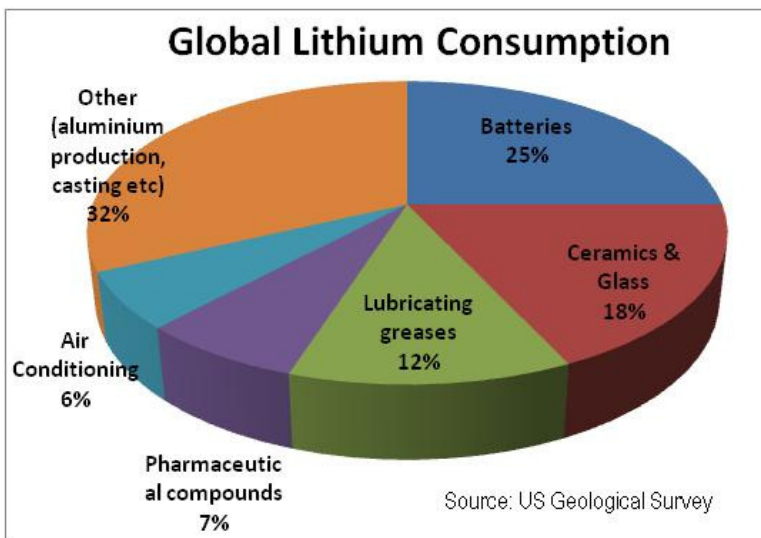
We believe this gives Glen Eagle investors an option towards gold discovery risk-free.

Lithium Industry Outlook remains buoyant

Lithium is a soft silver white metal that belongs to the alkali metal group of chemical elements. Lithium, chemical symbol Li, is the lightest of all metals under standard conditions. It is not a rare metal. Similar to all alkali metals, lithium is highly reactive and flammable. Because of its high reactivity, lithium never occurs freely in nature, and instead, only appears in compounds.

Demand for Lithium is currently at levels of around the 120,000 tonnes of lithium carbonate equivalent (LCE) mark, according to figures released by SQM, one of its largest producers. Most of the lithium today is produced by four major producers, and except for Talison in Australia, primarily from brine (it is produced from brines primarily as a by-product in potash production). Brines are natural eco systems and rapidly expanding brine production can potentially damage the aquifer and potentially dilute, deplete or damage the brine. Hence, while there may be some spare capacity to ramp up production with current players it is unlikely that they will be able to meet the projected growth in demand for lithium. This suggests room for new entrants such as Glen Eagle to enter into the market place.

The key driver for the growth in global lithium demand is the drive to non-oil or low carbon alternatives in transportation and also the growing demand for batteries of all sizes for a variety of modern-day applications. The current Middle East crisis and the sudden jump in oil prices is once again bringing home the vulnerability of the global economy to rising oil prices. This, combined with the imperative to address the global warming challenges, has created a “perfect storm” scenario for the positive outlook for cleantech metals such as lithium.



The chemical reactivity of Lithium, while problematic in extraction, also makes it attractive in batteries, as it has high energy density, meaning more energy can be stored in a single battery. HSBC, the global bank, predicts that the low carbon energy market will triple to US\$2.2 trillion by 2020. This represents a compounded annual growth rate of 11% and transportation accounts for 70% of the growth in the low carbon economy. In this study, it is projected that the electric vehicle

market is predicted to grow to \$473 billion by 2020, with most of this growth occurring in the latter half of the decade because of falling prices and advances in lithium battery technology.

The estimate for the growth of electric vehicles globally in the next five to 10 years varies widely and ranges from a few million to tens of millions. The wide range in the demand estimation of the adoption of electric vehicles is partly due to the not so compelling economics today of electric vehicles. The rising global oil prices and the technological changes underway to reduce the cost of electric vehicles will surely

change this current cost and affordability scenario. The optimism envisioned by the global auto companies and pretty much their universal push to electric vehicles makes us believe that while there would be short-term bumps on the way, the long-term fundamentals for the lithium market will continue to be promising. Consultant Frost & Sullivan forecasts the total hybrid and pure electric vehicle market to grow to a staggering 11-million-unit level by 2015, with hybrids contributing close to 9.5 million. By some estimates, electric and hybrid vehicles will represent 10% to 20% of the global automotive market by 2020.

Lithium Carbonate prices have been rising since 1997 when the price was \$2,000 per tonne. Recently, the prices were as high as \$6,500 per tonne to level off recently around \$4,500. These prices need to be considered more as a guide than the true price of the product. Since Lithium is not a widely traded material like gold or oil and is an industrial commodity, prices tend to be negotiated in supply contracts. Long-term supply contracts tend to be hard to secure, part of the reason why consumers are looking to the junior resource companies to secure a supply of lithium carbonate.

Even though the price of lithium is going up, the quantities required and the relative value of lithium in the final price of the end product, whether it be a battery for car, cellphone or laptop, is minimal. Hence, a price jump to \$6,000/tonne does not impact the overall economics of the end product in which lithium is used. This gives some price in-elasticity to lithium and these kinds of prices on their own will not result in a rush for finding substitute products to lithium. For example, a plug in an electric vehicle needs 12 Kg of lithium carbonate. Relative to the overall cost and weight of the vehicle, this is not very material.

Sources of Lithium

The two main sources of lithium are brines and minerals. In the future, it is possible that hectorite clays could also be a source of lithium.

Today, most of the world supply of lithium is produced from brine (essentially salty water or solution). Argentina and Chile account for more than 90% of the world lithium production, derived exclusively from brine. However, in terms of resources, Bolivia holds the world's biggest lithium resource. But because of the policies of the government there, and the quality of the brine itself, the resources are not expected to come to the market anytime soon.

In order to be used in batteries, lithium needs to be produced in lithium carbonate form, with more than 99.9% purity, while for glass and ceramics, lithium oxide is sufficient. Australia and China are the major producers of lithium from hard rock sources. Four companies produce 85% of the world's lithium.

Funding

Glen Eagle has recently closed a private placement with gross proceeds of \$1.1 million through issuance of 5,500,000 units @ \$0.20 per unit (comprising one share + one warrant at \$0.35/share), This financing is to help Glen Eagle conduct an exploration program on the Lac Lisette phosphate property as well as further develop its Authier Lithium project. A second financing of \$800,000 at \$0.40 cents flow through shares without warrants is about to be closed.

We estimate that with this financing, the company would have raised enough cash to fund its 2011 exploration program. Given the consistently strong drill results being reported by the company, we do not anticipate any difficulty for the company to raise financing if necessary.

Valuation

Based on Glen Eagle's NI-compliant resource estimate, we performed a comparable valuation exercise wherein we compared the Market Cap per tonne of recoverable LCE awarded to Spodumene-based Lithium exploration companies, which we consider as the closest comps to Glen Eagle and which have properties in the region.

Comparable Valuation								
Company	Ticker		Tonnes	Li ₂ O (%)	Li ₂ CO ₃ Mt		M Cap (\$)	M Cap (\$) / Li ₂ CO ₃
					eq. ⁽¹⁾	Total Li ₂ CO ₃		
Canada Lithium ⁽²⁾	TSX: CLQ	M + I ⁽³⁾	46,669,000	1.19%	2,956,187	4,601,051	\$ 169,184,568	\$ 36.77
		Inferred	57,581,000	1.18%	3,616,743			
Nemaska Exploration	TSXV: NMX	M + I	9,774,000	1.63%	848,040	2,133,263	\$ 33,904,150	\$ 15.89
		Inferred	15,396,000	1.57%	1,285,222			
Critical Elements Corp	TSXV: CRE	Indicated	11,436,000	1.34%	815,709	962,406	\$ 25,222,116	\$ 26.21
		Inferred	2,170,000	1.27%	146,697			
Galaxy Resources	ASX: GXY	M + I	16,156,000	1.12%	960,301	1,343,639	\$ 246,691,921	\$ 183.60
		Inferred	6,476,000	1.11%	383,338			
Reed Resources ⁽⁴⁾	ASX: RDR	M + I	6,054,000	1.48%	476,393	794,064	\$ 123,632,320	\$ 222.42
		Inferred	4,472,000	1.33%	317,671			
Glen Eagle Resources	TSXV: GER	Indicated	4,167,000	1.04%	230,682	352,578	\$ 11,353,658	\$ 32.20
		Inferred	2,290,000	1.00%	121,897			
Average							\$ 119,727,015	\$ 96.98
Glen Eagle (Target)							\$ 34,192,613	\$ 0.96

⁽¹⁾ Conversion Factor used: Li₂O: Li₂CO₃ = 1 : 5.323

⁽²⁾ For Canada Lithium, Total Li₂CO₃ is assumed at **70%** (Ubika Research estimate) of the previously reported #s due to impending restatement

⁽³⁾ M + I = Measured + Indicated

⁽⁴⁾ Used 70% of resource at Mt Marion lithium project in line with its 70% ownership of this project

Source: Company Reports, Ubika Research

Accordingly (refer to the table above), we found that Glen Eagle is highly undervalued at approx. \$32.2 per tonne LCE, compared with the average Market Cap/ tonne LCE of \$97.0. Awarding the average price per tonne to Glen Eagle's current NI-compliant resource estimate gives us a potential price of \$0.96 per GER share. As such we have set our **Ubika Model Price (UMP) for Glen Eagle Resources at \$0.96, which represents a 187% upside from the May 4, 2011 close of \$0.335 per share.**

We believe that further drilling activities in 2011, as mentioned above, will drive the value for investors in Glen Eagle. As it crosses different stages, we expect GER's market cap to reflect the de-risking in its path to become an eventual producer. It could also very well become a potential takeover candidate for any existing producer (including Canada Lithium, which would look to expand its resource to gain efficiency in its mill) or any of the auto supply-chain manufacturers.

We rate Glen Eagle Resources as "Undervalued" with a UMP of \$0.96.

Strong Management and Board of Directors

The company's management team has a very strong background in geology, resource and finance, which will no doubt coalesce to quickly advance the project to feasibility. Details of the management experience and the strength of the Board of Directors are described below:

Jean Labrecque, President

Mr. Labrecque is an MBA from HEC Lausanne, Switzerland, who has more than 10 years experience in investment banking and mining.

Daniel Bélisle, CFO

Mr. Bélisle has 15 years experience in the mining industry and 20 years in management and auditing for Canadair (Bombardier) and UAP among others.

Gilles Laverdière, Director

Mr. Laverdiere is a geologist with more than 32 years of experience in mining exploration, project evaluations and financing.

Hossam Shatta, Director

Mr. Shattais is a lawyer and Financial Advisor to the Board of Directors. He has 20 years of experience in investment banking with prominent clients in the Middle East.

Analysis and Conclusion

Glen Eagle offers an excellent play on the Lithium story without any political risk attached, which will continue to gain momentum in light of the Green Automobile Initiative of the U.S. Administration and continued turbulence surrounding oil prices and related political risks. Glen Eagle, through its high potential properties in politically stable, mining friendly jurisdictions, is a good candidate for significant growth in the coming years.

Recent drill results gave a strong indication that its Authier property has a rich lithium deposit that is open along strike and depth. The 2011 development program will continue to add value to the project by demonstrating that there is potential for a large resource available at the Authier property and the feasibility study will determine the economics for a mining operation. . All this development, we believe will significantly benefit investors of Glen Eagle Resources.

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Note: Ubika Research has NOT visited various mining sites to do any independent physical assessment of Glen Eagle Resources Inc.

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Undervalued: Current share price is at least 40% below the Ubika Model Price as estimated by Ubika Research using general valuation methodologies.

Fairly Valued: Current share price is within 10% range of the Ubika Model Price (either above or below the UMP) as estimated by Ubika Research using general valuation methodologies.

Over Valued: Current share price is at least 20% higher than Ubika Model Price as estimated by Ubika Research using general valuation methodologies.

UBIKA MODEL PRICE (UMP)

Ubika Model Price (UMP) is the fair price of the security of the company under coverage calculated by Ubika Research using general valuation methodologies. Ubika Research takes into account various factors including company's financials, resource and asset value, intangibles including intellectual properties (if applicable) and its relative positioning with comparable companies in calculating the model price.

Ubika Risk Rating System

A company may have some, but not necessarily all, of the following characteristics of a specific risk rating to qualify for that rating:

High Risk

Financial - Little or no revenue and earnings, limited financial history, weak balance sheet, negative free cash flows, weak cash reserve, poor working capital solvency, no dividends.

Operational - Weak competitive market position, very early stage of development, unproven operating plan, high cost structure relative to the industry, industry consolidating, business model/technology unproven or out-of-date.

Moderate Risk

Financial – History of revenue and earnings, balance sheet in line with industry average, good cash position, positive free cash flow, adequate working capital solvency, may or may not pay a dividend.

Operational - Competitive market position and cost structure, industry stable, stable competitive position within the industry, business model/technology is well established and consistent with current state of industry, good cash reserve.

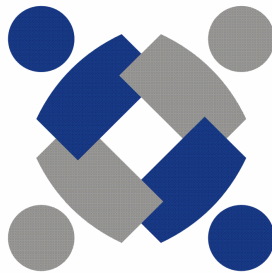
Low Risk

Financial - Strong revenue growth and earnings over several years, stronger than average balance sheet, strong cash position, strong positive free cash flows, above average working capital solvency, company may pay (and stock may yield) substantial dividends.

Operational – Strong player in its market, below average cost structure, company may be a consolidator, company may have a leading market/technology position.

Analyst Disclosure

	Common Stock/Options Ownership in Glen Eagle Resources Inc.
Analyst(s)	No
Analyst's family members	No
Analyst's firm, their affiliates and/or subsidiaries	Yes



UBIKA RESEARCH

RESEARCHING THE UNDER-RESEARCHED

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You can visit us at www.ubikaresearch.com for more details of our offering.

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