



## **Silver Bear Resources Inc.**

### **Silver Bear Announces Initial Resource Estimate, License Extension and 2008 Year End Financial Results**

**Toronto, Canada, March 16, 2009 – Silver Bear Resources Inc.** (“Silver Bear” or the “Company”) (**TSX:SBR**) today announced an initial resource estimate, an extension of the Company’s exploration license and financial results for the year ended December 31, 2008, prepared in accordance with Canadian generally accepted accounting principles (“GAAP”). All dollar amounts are stated in Canadian dollars unless otherwise indicated. The results include:

- Initial inferred mineral resource of 1.9 million tonnes averaging 508 grams per tonne of silver totaling approximately 31 million ounces;
- Ministry of Natural Resources of Russia – Federal Agency of Subsoil Use (“Rosnedra”) approves extension of exploration license for the Mangazeisky Project to December 2011; and
- \$24.2 million in cash at December 31, 2008 with no debt.

#### **Resource Estimate and License Extension**

Silver Bear is pleased to announce that an initial resource estimate for its 100% owned Mangazeisky silver project in Russia has been completed by Wardrop Engineering, Inc., a Tetra Tech Company (“Wardrop”) in Swindon, UK. Wardrop estimates an inferred mineral resource of 1.9 million tonnes averaging 508 grams per tonne silver totaling approximately 31 million ounces for the central portion of the Vertikalny vein, one of twenty known silver bearing zones identified within the Mangazeisky license area. The estimate is based on a long term silver price of US\$10.50 per ounce and results obtained from 73 drill holes and 13 surface trenches that define a block measuring 1,600 metres along strike and 275 metres from surface. The estimate anticipates that the mineralized zone would be mined by selective underground methods at a minimum mining width of 1.2 metres.

The Vertikalny vein is a narrow steep dipping composite structure with high grade silver mineralization. The resource estimate was completed by Wardrop using industry standard methods in accordance with CIM and NI 43-101 requirements with Gemcom Surpac modeling software. The geological model of the structure was created from geological interpretation supplied by Silver Bear staff using intersection data spaced between 100 metres by 50 metres and 50 metres by 50 metres in longitudinal section. Ordinary kriging was used to estimate grades into blocks with dimensions of 30 metres (easting), 1 block (northing) and 15 m (elevation). The search ellipsoid dimensions and directions chosen reflected the good continuity obtained from geostatistical studies. No high grade capping was carried out. The density used in the model was supplied from metallurgical test work.

On February 18, 2009, the Company successfully extended the term of the Mangazeisky license agreement with Rosnedra by two years to December 2011. Work with Rosnedra on the license extension proved, once again, to be very cooperative; the license extension was approved well in advance of our September 2009 deadline.

In addition to the cooperation from Rosnedra during the license extension process, we received a high level of support from both Moscow and Yakutsk-based regulators. The Alfa Group, our largest shareholder, remains committed to its investment and continues to provide excellent guidance on Russian business matters.

Mr. Randall Oliphant, President and Chief Executive Officer stated, "This initial resource estimate reinforces our belief that Mangazeisky has the potential to be a world class deposit of greater than 200 million ounces of silver<sup>(1)</sup>. Considering that the year-end resource is limited to a 1.6 kilometre portion of the 5.1 kilometre long Vertikalny vein and only to a depth of 275 metres, our focus remains unchanged. Going forward, we will focus our efforts on achieving continued resource growth. Our successful extension of the Mangazeisky license term to December 2011 provides us with ample time to realize continued resource growth."

Mr. Raymond Threlkeld, Chief Operating Officer stated, "The 2009 exploration program at Vertikalny will be focused on increasing the resource. The Vertikalny resource is open along strike and down dip. This provides the framework to drill step out holes and significantly expand the resource upon completion of our 2009 drill program. We are also encouraged by the initial exploration of promising targets proximal to the Vertikalny vein which exhibit similar geological and geochemical characteristics to Vertikalny."

Mr. P. Gribble, FIMMM C.Eng, Wardrop Engineering is the independent qualified person who estimated the mineral resource disclosed herein. Wardrop is currently completing a NI 43-101 Technical Report supporting the mineral resource estimate. The Technical Report will be available by March 31, 2009. The resource estimate is dated March 6, 2009.

## **Financial Results**

### **Net Loss**

Silver Bear incurred a net loss for the year ended December 31, 2008 of \$17.7 million or \$0.48 per share. This compares to a loss of \$12.9 million or \$0.52 per share for the year ended December 31, 2007. Exploration costs were \$14.1 million in the year ended December 31, 2008 compared with \$5.5 million in the year ended December 31, 2007. General and administrative expenses for the year ended December 31, 2008 were \$4.5 million compared with \$2.6 million in the prior year. Non-cash items for the year ended December 31, 2008 were \$2.4 million compared with \$2.9 million in the year ended December 31, 2007. Interest income for the year ended December 31, 2008 was \$0.8 million compared with \$0.2 million in the prior year. The Company recorded a gain on the sale of its Avlayakan gold property of \$2.5 million during 2008.

For the year ended December 31, 2008, Silver Bear spent \$14.1 million on exploration activities, compared with \$5.5 million during the 2007 year. All of the \$14.1 million was spent on the Mangazeisky Project. Costs associated with the Mangazeisky Project in year ended December 31, 2008 relate to the 2008 exploration program and costs related to the Company's Yakutsk administrative office. Exploration expenses increased when compared to the 2007 year since 12,945 metres of diamond drilling was completed in 2008 versus 3,094 metres in 2007. Rising fuel prices and increased staffing have also contributed to the cost increases. Silver Bear plans to spend \$12.0 million on exploration activities in 2009.

General and administrative expenses for the year ended December 31, 2008 were \$4.5 million compared with \$2.6 million in the prior year. The increased general and administrative costs are primarily related to legal fees associated with our Russian litigation, increased investor relations and other public company expenses, and other costs associated with increasing staffing in the corporate office. Management salaries for the year ended December 31, 2008 were \$1.6 million, (year ended December 31, 2007 - \$1.5 million). In addition, for the year ended December 31, 2008, Silver Bear spent \$1.5 million on professional fees (year ended December, 2007- \$0.4 million) primarily for legal, audit and consulting fees. Other general and administrative expenses for year ended December 31, 2008 were \$1.4 million, (year ended December, 2007- \$0.7 million). Silver Bear plans to spend \$2.9 million on general and administrative expenses in 2009.

### **Liquidity and Capital Resources**

As at December 31, 2008, Silver Bear had cash and cash equivalents of \$24.2 million. At the start of 2008, Silver Bear had cash and cash equivalents of \$30.0 million. On January 18, 2008, the company raised net proceeds of \$1.6 million in relation to the over-allotment option granted by the Company to the underwriters in connection with the Company's initial public offering in December 2007. In May 2008, the Company sold its 70% interest in Mine Avlayakan LLC for proceeds of US\$8.5 million. On July 16, 2008, the Company completed a private placement with

Alfa Bank Consortium for net proceeds of \$4.2 million. During 2008 the Company invested \$3.5 million in property, plant and equipment and had cash expenses of \$16.6 million from continuing operations.

### **Outlook - Mangazeisky Project**

Silver Bear will continue to explore the Mangazeisky property in 2009. In light of current uncertainty in the capital markets, the Company has decided to reduce the exploration program planned for 2009 to conserve cash. This will allow the Company to continue exploration activities into 2010. The Company has scaled back its drilling program to 10,000 metres from 40,000 metres. Silver Bear remains committed to further advancing the project through targeted exploration within the Mangazeisky license. Total estimated cost for the 2009 program is approximately \$12.0 million.

Key milestones for Silver Bear:

- Complete the winter road re-supply in support of the planned exploration program for 2009 during the first quarter of 2009.
- Complete 10,000 metres of drilling during the 2009 field season (May through October 2009).
- Update the existing resource estimate during the first quarter of 2010

### **SAMPLE COLLECTION AND PREPARATION**

Silver Bear's core sampling and preparation program is summarized as follows:

Diamond drill core ranges in diameter from 47 millimetres to 112 millimetres with the majority being 47 millimetres. The core is placed in boxes at the drill site, complete with distance markers. On arrival at the core logging facility, the core boxes are opened and a geologist is responsible for organizing and photographing the core, completing a geotechnical log, and preparing the core for geological logging and sampling.

The core is logged for lithology, structure and mineralization. Intervals of interest are marked for sampling. Intervals deemed to be potentially anomalous in silver are cut using a diamond saw with one half of the core prepared as the sample and the other half retained in the core box and stored at site.

Samples are crushed to a nominal size of less than one millimetre at an on-site preparation facility. A 500 gram split is shipped to the laboratory for pulverization and assay; a duplicate split is retained on site.

All fire assays for silver are completed at the Chemical Laboratory of the State Enterprise Aldangeologiya (Aldan Lab), located in Yakutia, Russia.

Silver Bear's quality control protocol includes the blind submission of certified standards (prepared by Geostats Pty Ltd of Australia), field blanks and field

duplicates into the sample stream to monitor the accuracy and precision of the fire assay results.

Geological control samples comprise 15% of the total sample volume. It is standard practice that, should the reported results exceed the permissible variance limits ascribed to said standards, the affected batches are re-analyzed. No such occurrences were noted in the results reported above.

An updated drill plan and longitudinal section demonstrating the hole locations is available on the Company's website at [www.silverbearresources.com](http://www.silverbearresources.com).

### **Silver Bear Resources Inc.**

The primary business of the Company is the evaluation, acquisition, exploration and development of silver properties in the Russian Federation. The Company's principal asset is its 100% owned Mangazeisky Project, located approximately 400 kilometres north of Yakutsk in the Republic of Sakha, Yakutia in the Russian Federation.

Silver Bear Resources Inc. is listed on the Toronto Stock Exchange and its common shares trade under the symbol "SBR". Silver Bear has 37,935,569 issued and outstanding common shares. Other information relating to Silver Bear is available on SEDAR at [www.sedar.com](http://www.sedar.com) as well as on the Company's web site at [www.silverbearresources.com](http://www.silverbearresources.com).

**Silver Bear Resources Inc.**  
(an exploration stage enterprise)  
**Consolidated Balance Sheets**  
(Canadian dollars)  
(unaudited)

	<b>December 31,</b>	<b>December 31,</b>
	<b>2008</b>	<b>2007</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 24,170,023	\$ 30,295,581
Related party receivable	23,063	31,052
Non-controlling interest receivable	-	151,592
Inventories	1,142,408	628,196
Prepaid expenses	666,396	2,305,284
Miscellaneous receivables	52,475	50,232
	26,054,365	33,461,937
<b>Capital assets</b>		
Mineral properties	1,265,117	959,670
Property, plant and equipment	2,520,265	874,147
Asset held for sale	944,150	5,885,218
	\$ 30,783,897	\$ 41,180,972
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities from continuing operations	\$ 1,013,888	\$ 1,127,478
Accounts payable and accrued liabilities from discontinued operations	-	200,265
	1,013,888	1,327,743
<b>Long-term liabilities</b>		
Asset retirement obligation	570,709	245,360
Non-controlling interest	-	127
	1,584,598	1,573,230
<b>Shareholders' equity</b>		
<b>Capital Stock</b>	73,771,289	67,991,311
<b>Warrants</b>	-	273,575
<b>Contributed surplus</b>	8,621,876	6,835,085
<b>Deficit</b>	(53,193,867)	(35,492,229)
	29,199,298	39,607,742
	\$ 30,783,897	\$ 41,180,972

**Silver Bear Resources Inc.**  
(an exploration stage enterprise)  
**Consolidated Statements of Operations and Comprehensive Loss and Deficit**  
(Canadian dollars)  
(unaudited)

	<u>December 31,</u> <u>2008</u>	<u>December 31,</u> <u>2007</u>
<b>Income</b>		
Interest income	\$ 769,201	\$ 242,513
<b>Expenses</b>		
Exploration costs	14,129,938	5,532,314
General and administrative	4,461,726	2,632,158
Stock option compensation	1,513,216	1,734,382
Amortization	915,118	955,402
Accretion expense	19,905	-
Penalty shares	-	647,233
Gain on disposal of property, plant and equipment	-	(11,034)
Foreign exchange loss (gain)	(33,859)	270,414
Expenses from continued operations	<u>21,006,044</u>	<u>11,760,869</u>
Non-controlling interest	(33,179)	(704,776)
<b>Loss and Comprehensive Loss for the year from continued operations</b>	(20,203,664)	(10,813,580)
<b>Discontinued operations</b>	2,502,027	(2,047,415)
<b>Net Loss</b>	<u>(17,701,638)</u>	<u>(12,860,995)</u>
<b>Deficit - Beginning of the year</b>	(35,492,229)	(22,631,234)
<b>Deficit - End of the year</b>	<u>\$ (53,193,867)</u>	<u>\$ (35,492,229)</u>
<b>Weighted average number of common shares outstanding</b>	37,095,678	24,661,988
<b>Income (loss) per share from continued operations</b>	\$ (0.54)	\$ (0.44)
<b>Income (loss) per share from discontinued operations</b>	0.07	(0.08)
<b>Income (loss) per share</b>	<u>\$ (0.48)</u>	<u>\$ (0.52)</u>

**Silver Bear Resources Inc.**  
(an exploration stage enterprise)  
**Consolidated Statements of Cash Flows**  
(Canadian dollars)  
(unaudited)

	<b>December 31,</b>	<b>December 31,</b>
	<b>2008</b>	<b>2007</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Loss from continuing operations	\$ (20,203,664)	\$ (10,813,580)
Items not affecting cash:		
Amortization	915,118	955,402
Accretion expense	19,905	-
Stock option compensation	1,513,216	1,734,382
Penalty shares issued	-	647,233
Gain on sale of property, plant and equipment	-	(11,034)
<b>Net change in non-cash working capital</b>	<b>1,168,424</b>	<b>(1,823,097)</b>
Net cash from continuing operations	(16,587,001)	(9,310,694)
<b>Investing activities</b>		
Acquisition of property, plant and equipment	(3,505,387)	(327,263)
Proceeds of sale of property, plant and equipment	-	21,894
	(3,505,387)	(305,369)
<b>Financing activities</b>		
Issuance of common shares	5,779,977	44,737,319
Non-controlling interest	(127)	127
	5,779,850	44,737,446
<b>Increase (decrease) in cash and cash equivalents during the year</b>	<b>(14,312,536)</b>	<b>35,121,383</b>
<b>Increase (decrease) in cash and cash equivalents during the year from discontinued operations</b>	<b>8,186,979</b>	<b>(6,804,731)</b>
<b>Cash and cash equivalents - beginning of the year</b>	<b>30,295,580</b>	<b>1,978,929</b>
<b>Cash and cash equivalents - end of the year</b>	<b>\$ 24,170,023</b>	<b>\$ 30,295,581</b>

## Forward-Looking Information

*This release and subsequent oral statements made by and on behalf of the Company may contain forward-looking statements, which reflect management's expectations with respect to the proposed transaction. Wherever possible, words such as "intends", "expects", "scheduled", "estimates", "anticipates", "believes" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify these forward-looking statements. Although the forward-looking statements contained in this release reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, Silver Bear cannot be certain that actual results will be consistent with these forward-looking statements. A number of factors could cause events and achievements to differ materially from the results expressed or implied in the forward-looking statements. Such risks factors include but are not limited to risks factors identified by Silver Bear in its continuous disclosure filings filed from time to time on SEDAR. These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Forward-looking statements necessarily involve significant known and unknown risks, assumptions and uncertainties that may cause Silver Bear's actual results, events, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Although Silver Bear has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, prospective investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this release, and Silver Bear assumes no obligation to update or revise them to reflect new events or circumstances, unless otherwise required by law.*

<sup>(1)</sup> The reader is cautioned that the targets expressed above are based on Silver Bear's assessment of the geological data currently available and are conceptual in nature. There has been insufficient exploration with respect to these targets to define any estimates of quantities. There is no guarantee that the targets estimated will be delineated through additional exploration. These are objectives set by the Company and they are not estimates of quantities as contemplated by Section 2.3 of NI 43-101. There is no assurance that these objectives will materialize.

For further details, please visit [www.silverbearresources.com](http://www.silverbearresources.com), or contact:

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