

Mangazeisky  
Silver Project **PATH**  
**TO PRODUCTION**



**SILVER  
BEAR**  
RESOURCES INC.



**PDAC – March 2017**



# SBR Forward Looking Statement



## Cautionary Statement Regarding Forward-Looking Information

This presentation and subsequent oral statements made by and on behalf of the Company may contain forward-looking statements, which reflect management's expectations. Wherever possible, words such as "intends", "expects", "plans", "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.

Investors are advised that National Instrument 43-101 of the Canadian Securities Administrators requires that each category of mineral reserves and mineral resources be reported separately. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty of measured, indicated or inferred mineral resources, these mineral resources may never be upgraded to proven and probable mineral reserves

## *Cautionary Note to U.S. Investors Concerning Estimates of Measured, Indicated or Inferred Resources*

The information presented uses the terms "measured", "indicated" and "inferred" mineral resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize these terms. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into mineral reserves. United States investors are also cautioned not to assume that all or any part of an inferred mineral resource exists, or is economically or legally mineable.

## Cautionary Note Regarding PEA

The PEA is preliminary in nature and is based on a number of assumptions that may be changed in the future as additional information becomes available. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The PEA includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized.

## Historical Resources

Note that the P1 and P2 resource estimates shown are historical in nature and do not use categories defined in NI 43-101 and thus are not compliant with CIM and NI 43-101 standards. The exact date of these estimates is unknown. Historical resource estimates are based on Russian reserve system and based primarily on trench and prospecting samples only. These resources are considered historical in nature under NI 43-101 and a qualified person under 43-101 has not done sufficient work to classify the historical estimate as current mineral resources. The Company is not treating the historical estimate as current mineral resources.

## Qualified Person

Jacques du Toit, Pr.Eng., MSc.Eng., PMP and Robert Davies, B.Sc. (Hons), CGeol., EurGeol., PMP Eur.Eng. of Tetra Tech are Qualified Persons under National Instrument 43-101 and, has reviewed and approved the scientific and technical information in this presentation.

## For Persons in the United States

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## SBR Building Momentum



### LOW COST / STRONG ECONOMICS

- Low CAPEX<sup>1</sup>: **US\$49.9 M**,
- Low OPEX<sup>1</sup>: Cash Cost: **US\$7.49/oz Ag**; Total Costs: **US\$10.98/oz Ag**
- NPV<sup>1</sup> US\$132.6 M (5%, pre-tax) / US\$123.1 M (5%, post-tax)
  - **Mangazeisky North 2017 PEA<sup>2</sup> Increase NPV (5%, pre-tax) US\$157.7 M / US\$139.7 M (5%, post-tax)**
- IRR<sup>1</sup> of 86.1% (pre-tax) / 81.9% (post-tax)

### HIGH GRADE / QUALITY ASSETS

- Reserve: 22.5 Moz reserve<sup>1,3</sup> at **852 g/t Ag**;
- Indicated resources<sup>3</sup>: 35.95 Moz Ag Indicated at **1,079 g/t Ag**; **Feb 2017 – 12% increase in grade**
- Inferred resources<sup>3</sup>: 24.36 Moz Inferred at 504 g/t Ag

### SOLID

- Project Facilities Agreement finalized Sep 2016; Increase Facilities Agreement Q1 2017 by US\$15 M – subject to TSX approval
- 20-year Mining Licence secured with final-stage permitting underway;
- Full support of key Russian shareholders, as well as both the federal and local governments

### SIGNIFICANT EXPLORATION UPSIDE

- **Mangazeisky North PEA Completed; demonstrates significant upside to NPV and mine life when integrated with Vertikalny Central deposit**
- Exploration and resource expansion continues along 35 km mineralised corridor

1. Feasibility Study Update: October 4, 2016; Technical Report filed on SEDAR November 17, 2016, note the US\$49.9 M relates to initial CAPEX
2. Mangazeisky North PEA: March 1, 2017; Technical Report to be filed on SEDAR within 45 days of announcement. PEA integration of Mangazeisky North with Vertikalny Central in a multiple pit single plant operation – PEA-Integrated. Refer to PEA cautionary statement in slide 2.
3. NI 43-101 Reserve update: September 23, 2016, NI 43-101 Mangazeisky project resource update Feb 2017; Technical Report to be filed on SEDAR within 45 days announcement; reserves are included in the Indicated resource





## EXPERIENCED TEAM & BOARD Diverse Skill Set



### MANAGEMENT TEAM

<b>Graham Hill</b> , <i>President, CEO &amp; Director</i>	Mining executive with +25 years experience building and operating mines internationally. Built mines in Africa for Anglo American and responsible for development and management of Oxus Resources Uzbekistan and Kyrgyzstan, Central Asia mines.
<b>Derk Hartman</b> , <i>CFO</i>	Mining executive with +15 years experience in international natural resource investment banking. Extensive experience with the stock exchange listing process, takeover rules and corporate governance for both Toronto and London markets.

### BOARD OF DIRECTORS

<b>Chris Westdal</b> , <i>Non-executive Chairman</i>	Former Canadian ambassador to Russia
<b>Robin Birchall</b> , <i>Director</i>	Former investment banker, mining & resource executive. Over 17 years experience financing mining companies globally
<b>Trevor Eyton</b> , <i>Director</i>	Former member of Canadian Senate
<b>Boris Granovsky</b> , <i>Director</i>	Managing Partner, Aterra Capital – major shareholder
<b>Dominic Gualtieri</b> , <i>Director</i>	Resource and mine finance executive
<b>Alexey Sotskov</b> , <i>Director</i>	Director, Inflection Management Corp. – major shareholder

**DEEP EXPERIENCE IN RUSSIA COMBINED WITH INTERNATIONAL  
AND CAPITAL MARKETS EXPERTISE**

# ► **ASSETS** High Grade Resources along 35 Km Trend



Onsite Road Work



Vertikalny Silver vein



Investor Tour 2016



Inspecting core



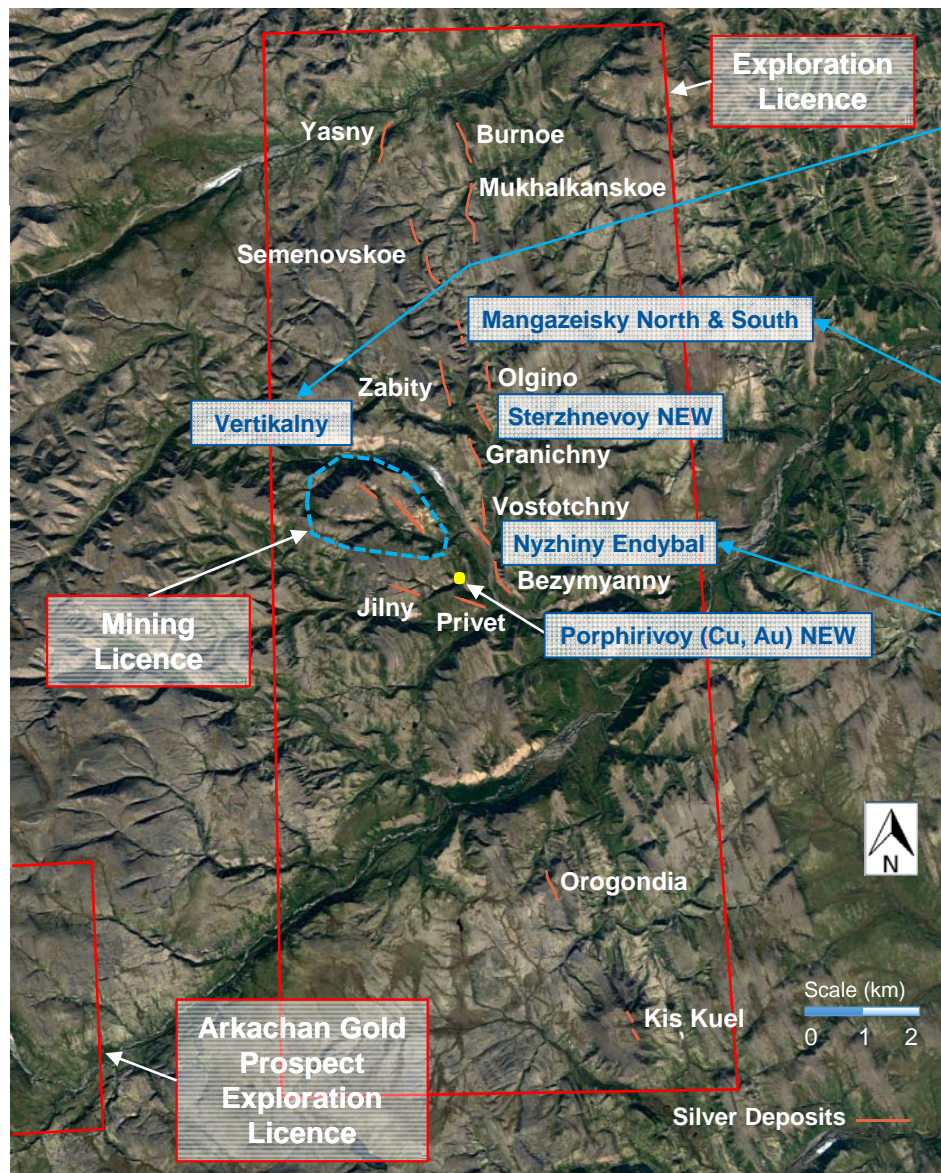
# ► MANGAZEISKY PROJECT The Yakutia Region



- Yakutsk capital of Russia's largest region Sakha Republic, one of the largest cities in Far East Russia
- Republic host to various mining enterprises including one of the world's largest diamond miners
- Mining University in Yakutsk; significant mining experience in the region



# MANGAZEISKY LICENCES Excellent Assets



## Vertikalny Update August 2016

- NI 43-101 Indicated Resource:  
700 kt containing **27.7 Moz silver @ 1,227 g/t Ag**
- NI 43-101 Inferred Resource:  
550 kt containing **12 Moz silver @ 672 g/t Ag**

## Mangazeisky North & South Update Feb 2017

- NI 43-101 Indicated Resource:  
334 kt containing **8.3 Moz silver @ 770 g/t Ag**
- NI 43-101 Inferred Resource:  
187 kt containing **2.8 Moz silver @ 459 g/t Ag**

## Nizhny Endybal Re-stated June 2015

- NI 43-101 Inferred Resource Restatement:  
710 kt containing **7.2 Moz silver @ 316 g/t Ag**

- **Oct 2016 – NI 43-101 maiden resources at Sterzhnevoy & Porphirovy deposits**
- Exploration Licence renewed for further 7-year period on Sep 2016
- 35 km mineralised corridor
- +15 known targets with Russian P1 & P2 resources providing opportunity for multiple pits with centralised process plant.



# ► MANGAZEISKY PROJECT Building the Mine



## Construction Milestones

### OVERALL CONSTRUCTION

**65%** completed

(As of Feb 1, 2017)

### FINANCIAL FLEXIBILITY

**US\$15<sup>1</sup> M** increase to  
Facilities Agreement

(Agreement in principle with major shareholders,  
subject to TSX approval; 1 – US\$5M subject to  
shareholder approval)

### PERMITTING ADVANCING

**In-step** with advances  
in construction

(Full details in Feb 1, 2017)

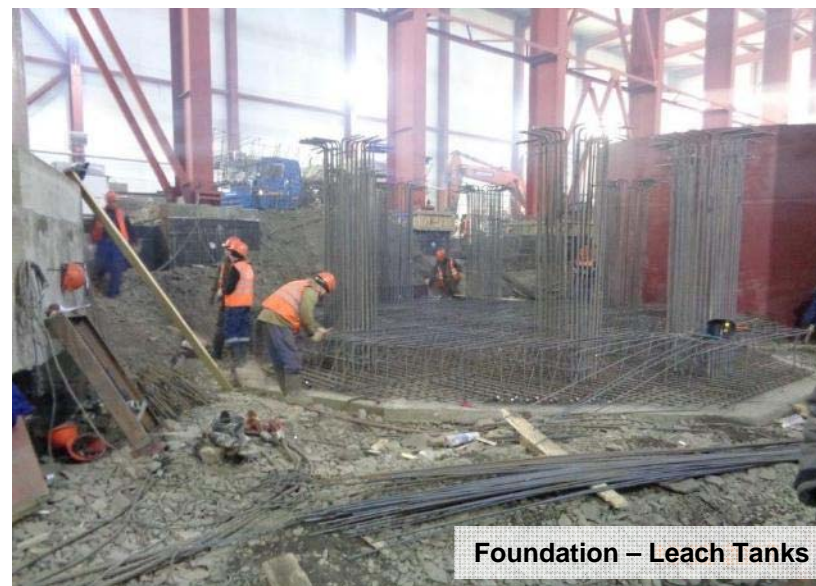


Commissioning date mid-2017; Production Q4 2017

See press release Feb 1, 2017



# ► PROGRESS Main Processing Plant Advancing





# ► PROGRESS Continued



Crushing & Screening Unit Working



Conveyor Belt Installation



Foundation – Electrowinning Station



Water Tank Installation







# MANGAZEISKY PROJECT Winter Road Logistics



- Winter road generally available from December to April, capable of delivering large convoys
- Summer road generally available from September – November as rivers dry out



Winter road convoy



Summer road transport with Vityaz



Winter road river crossing

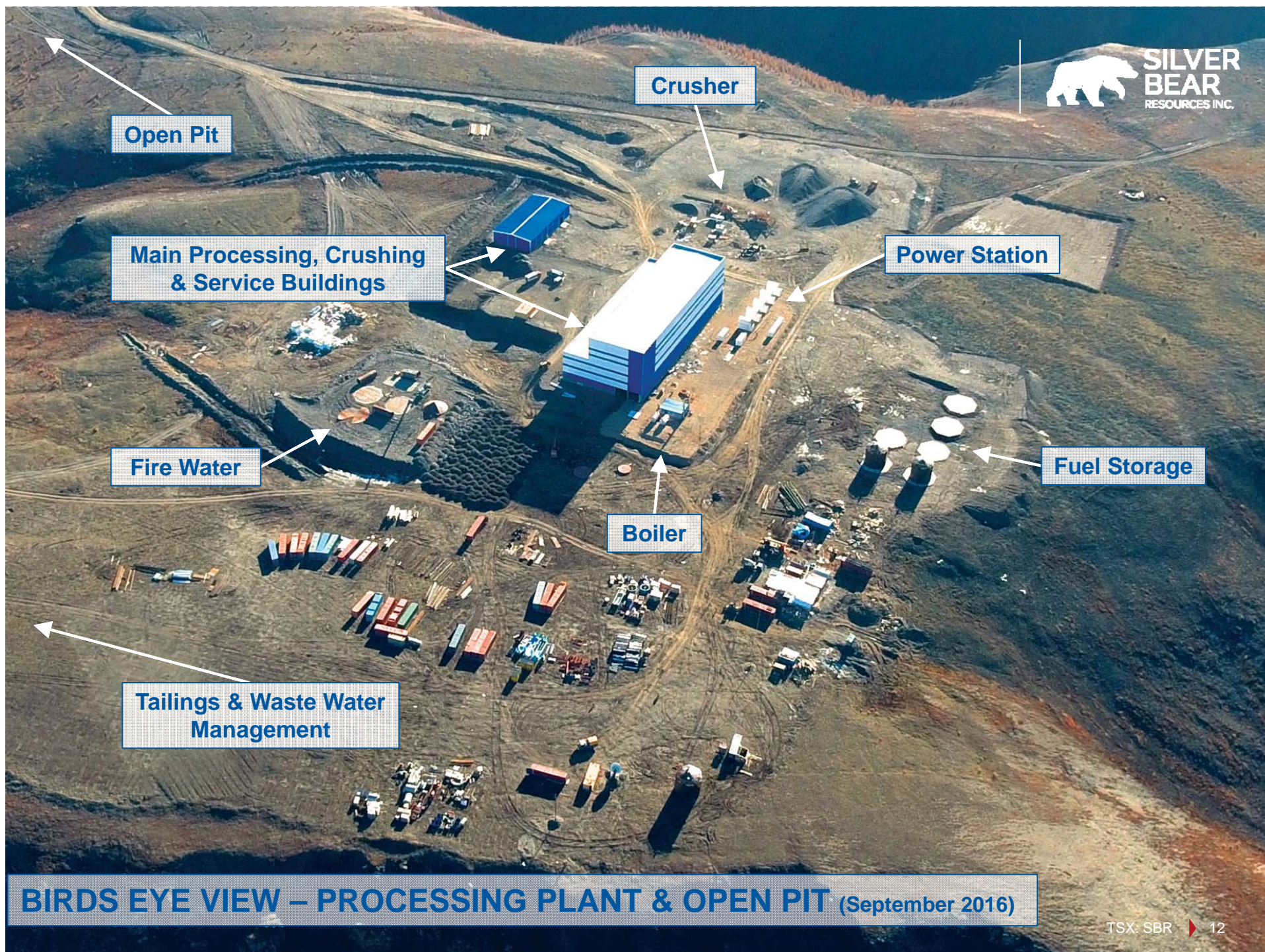


Transporting  $\frac{1}{2}$  1,000 m<sup>3</sup> fuel tank



Winter road mountain pass





**BIRDS EYE VIEW – PROCESSING PLANT & OPEN PIT** (September 2016)





# MANGAZEISKY PROJECT NI 43-101 Total Resources & Reserves



Zone	Indicated Resource			Inferred Resource			Proven & Probable Reserve		
	Tonnes (t)	Grade Ag (g/t)	Contained Metal Ag (Troy oz)	Tonnes (t)	Grade Ag (g/t)	Contained Metal Ag (Troy oz)	Tonnes (kt)	Grade Ag (g/t)	Contained Metal Ag (koz)
Vertikalny Central	700,000	1,227	27,700,000	350,000	786	8,900,000	822	852	22,519
Vertikalny Northwest				200,000	476	3,100,000			
Nizhny Endybal				710,000	316	7,200,000			
Mangazeisky North	334,000	770	8,250,000	127,000	560	2,300,000			
Mangazeisky South				60,000	246	500,000			
Sterzhnevoy				48,000	1,530	2,360,000			
<b>Silver Total</b>	<b>1,034,000</b>	<b>1,079</b>	<b>35,950,000</b>	<b>1,495,000</b>	<b>504</b>	<b>24,360,000</b>	<b>822</b>	<b>852</b>	<b>22,519</b>

Zone	Inferred Resource						
	Tonnes (t)	Grade Au (g/t)	Grade Ag (g/t)	Grade Cu (%)	Contained Metal Au (Troy oz)	Contained Metal Ag (Troy oz)	Contained Metal Cu (lbs)
Porphirov	80,000	1.7	46	0.6	4,000	115,000	1,000,000

Note – NI 43-101 mineral resources prepared by Tetra Tech; The effective date of the Vertikalny Central 8<sup>th</sup> July 2016 and Vertikalny Northwest Resource is 10<sup>th</sup> of February 2015. The effective date of the original Nizhny Endybal Resource estimate was 11<sup>th</sup> of September 2012, this resource was re-stated with a higher cut-off grade on the 10<sup>th</sup> of June 2015. The effective date of the Mangazeisky North is 19<sup>st</sup> of October 2016 and the Mangazeisky South resource is 10<sup>th</sup> of June 2015. The effective date of the Sterzhnevoy and Porphirov Resource estimate is 27<sup>th</sup> of August 2016.

Note – The effective date of the mineral Reserve is 23<sup>rd</sup> September 2016. The Indicated Mineral Resource at Vertikalny Central are inclusive of the stated Mineral Reserves. Mineral Resources that are not Mineral Reserves do not demonstrate economic viability.

## ► VERTIKALNY DEPOSITS 2016 FSU



### ONE OF THE LOWEST CAPEX & HIGHEST GRADE SILVER DEPOSITS IN THE INDUSTRY

Item	Feasibility Study Update Oct 2016
Tonnes per annum	<b>110,000 tpa</b>
Silver Production (LOM)	<b>18.9 Moz Ag</b>
Initial CAPEX	<b>US\$49.9 M</b>
Production Costs	<b>Cash Cost – US\$7.49/oz Ag Total Cost – US\$10.98/oz Ag</b>
Reserve Vertikalny Central	<b>822 kt at 852 g/t Ag total 22.5 Moz Ag</b>
IRR (pre-tax ) / IRR (post-tax)	<b>86.1% / 81.9%</b>
NPV (5%) pre-tax/NPV (post-tax)	<b>US\$132.6 M/ US\$123.1 M</b>
Payback (pre-tax)/(post-tax)	<b>1.3 years /1.3 years</b>

Notes Oct 2016 FS:

- Assumptions include a variable silver price of US\$19.65/oz, US\$18.57/oz, US\$19.62/oz, US\$19.79/oz, US\$19.72/oz and US\$19.92/oz during Q1 2017, Q2 2017, Q3/4 2017, 2018, 2019 and 2020 as well as the remaining project life, respectively, with a life-of-mine ("LOM") weighted average silver price of US\$19.76/oz. Exchange rate applied in the base case is RUB66.00/USD.
- Reserve is proven and probable and The Indicated Mineral Resource at Vertikalny Central are inclusive of the stated Mineral Reserves.
- For full details, refer to press release October 4, 2016, technical report filed on SEDAR on November 17, 2016.



# ► MANGAZEISKY NORTH DEPOSIT 2017 PEA



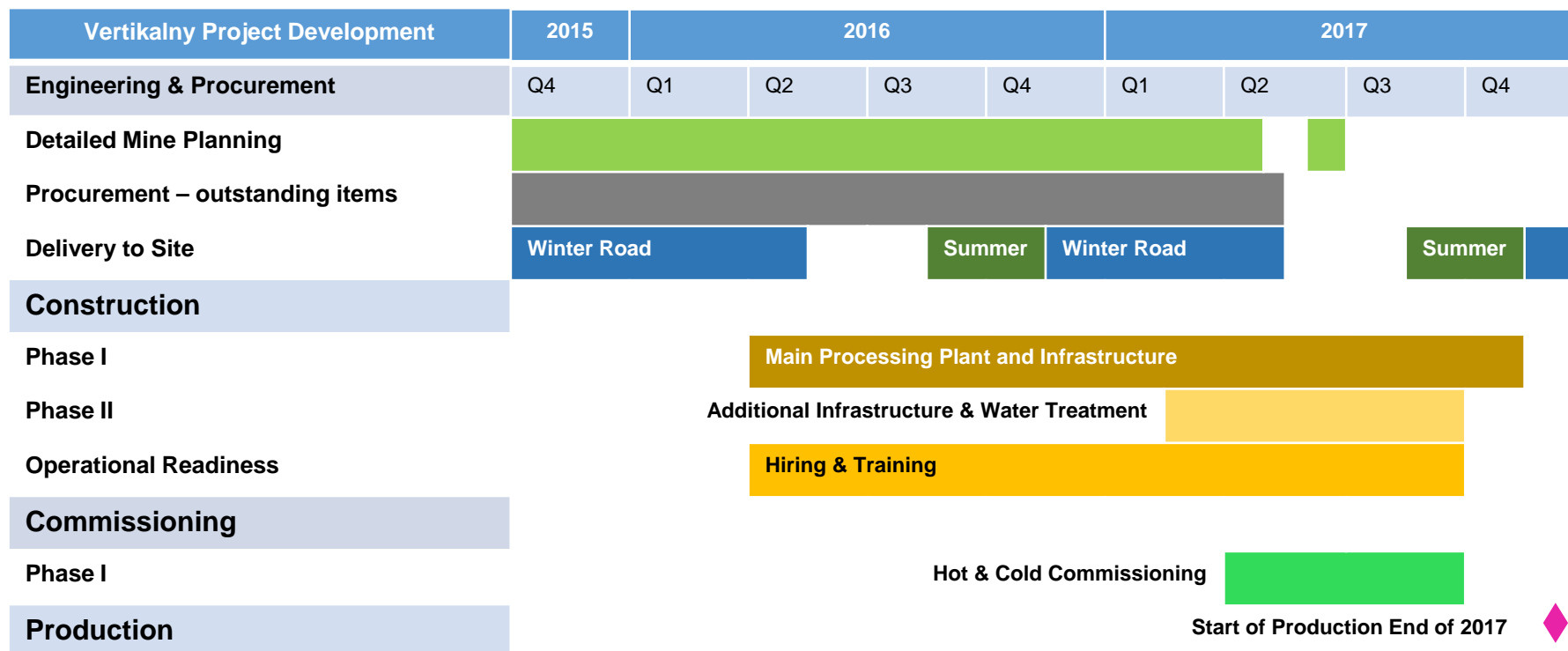
PEA 2 scenarios the **Preferred** Integration of the Mangazeisky North mine plan into the Vertikalny Central mine detailed in the **2016 FSU** – multiple pit single plant operation (**PEA-Integrated** (MNOP – Mangazeisky North Open Pit)

Item	Units	PEA-Integrated <sup>1</sup> (Feb 2017)		
		Updated FS 2016	PEA- Integrated	PEA less FS
Total capital cost (LOM)	US \$ million	65.2	67.4	2.15
Silver Head Grade	g/t	852	750	-102
Recovered Silver	koz (troy)	18,875	23,938	5,063
Pre-tax Net Cash Flow	US \$ million	166.0	203.7	37.7
Pre-tax NPV, 5% Discount Rate	US \$ million	132.6	157.7	25.1
Pre-tax Payback	Years	1.3	1.3	0.0
Post-tax Net Cash Flow <sup>2</sup>	US \$ million	154.0	178.6	24.6
Post-tax NPV, 5% Discount Rate <sup>2</sup>	US \$ million	123.1	139.7	16.6
Post-tax Payback <sup>2</sup>	Years	1.3	1.4	0.1
Cash Cost	US \$/troy oz Ag recovered	7.49	8.08	0.59
Capital cost (excluding contingency)	US \$/troy oz Ag recovered	3.49	2.76	- 0.73
Total Cost	US \$/troy oz Ag recovered	10.98	10.84	-0.14

Notes 2017 PEA:

1. Post-tax results are with Far East incentives. Assumptions include an weighted average life of mine ("LOM") silver price of PEA-Integrated US\$19.81/oz; PEA-Stand-alone US\$19.85/oz. Exchange rate applied in the base case is RUB66.00/USD. Full details, refer to press release March 1, 2017, technical report will be filed on SEDAR within 45 days of the press release. Refer to the Cautionary Refer to cautionary note regarding PEA in slide 2.
2. All Post-tax results are with Far East Incentives.

# MANGAZEISKY PROJECT 2017 Project Timeline



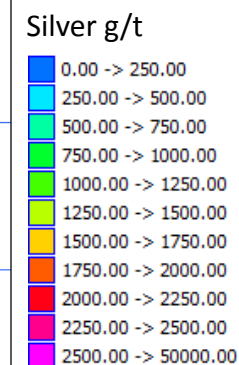
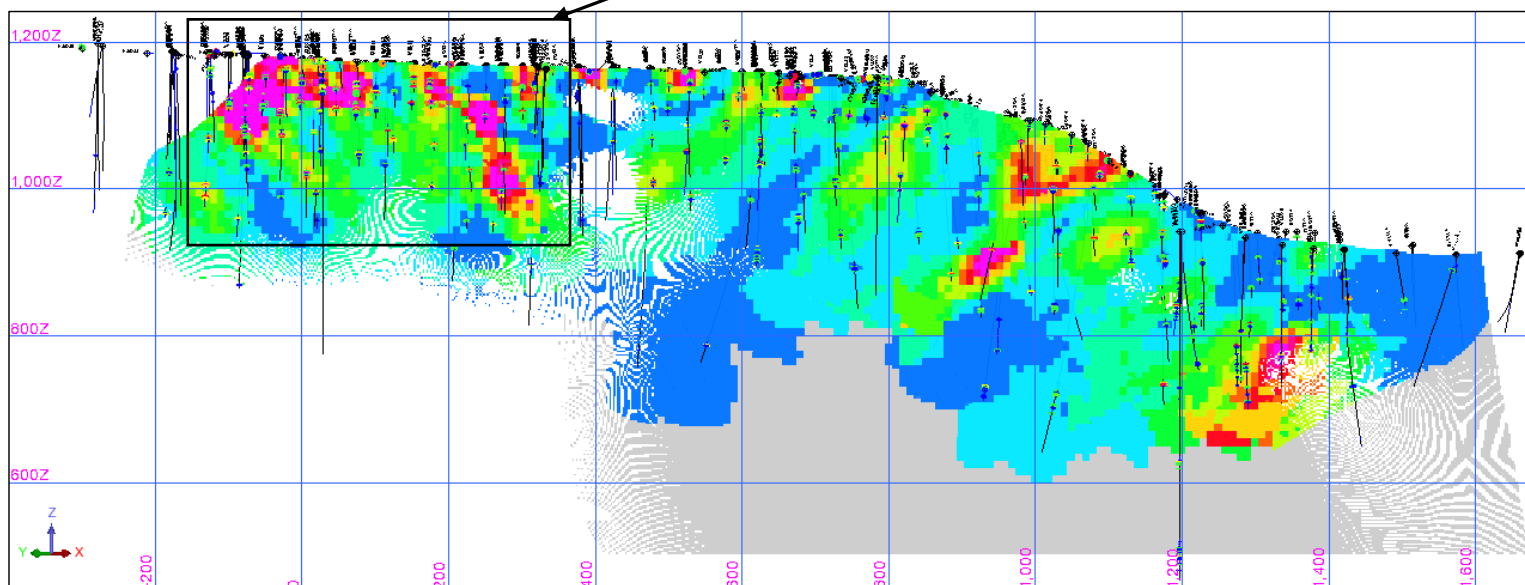
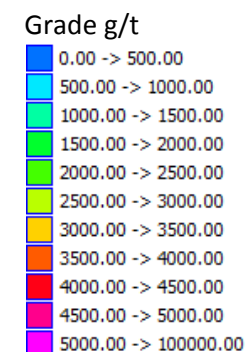
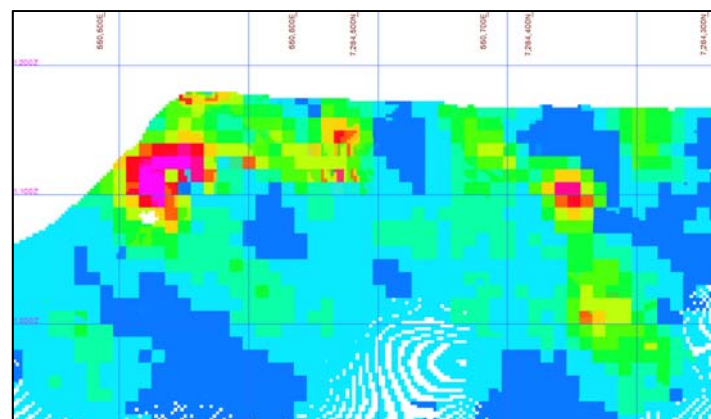


# ▶ **VERTIKALNY CENTRAL** Grade Distribution

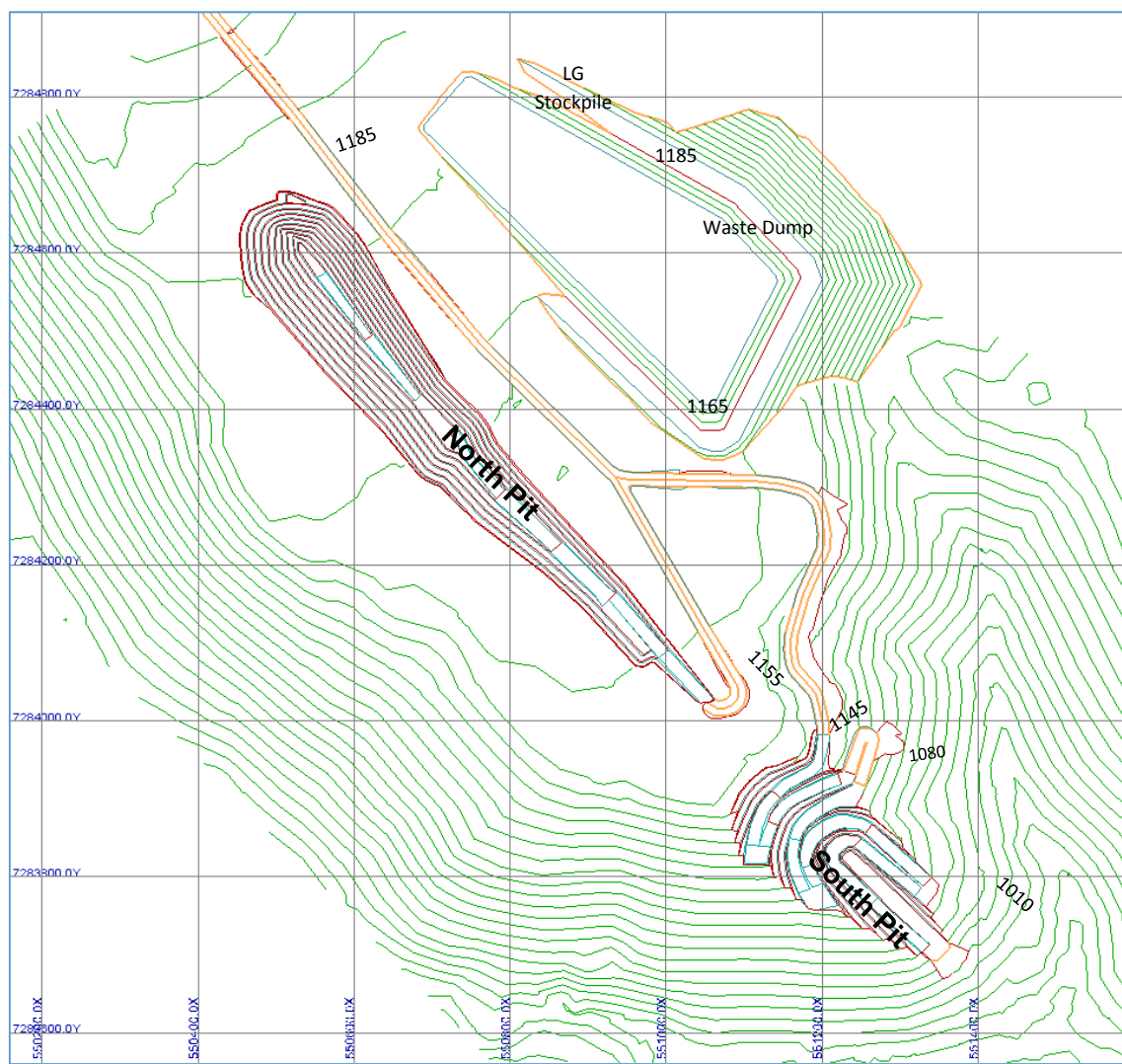


Vertikalny Central now includes extremely high grade zones with improved continuity. The improved continuity results from using more constrained wireframes and improving the variography.

Some of the marginal material has been transferred into the wall rock alteration domain (halo), which reduces the width and tonnage in some areas of the main (V1) zone.

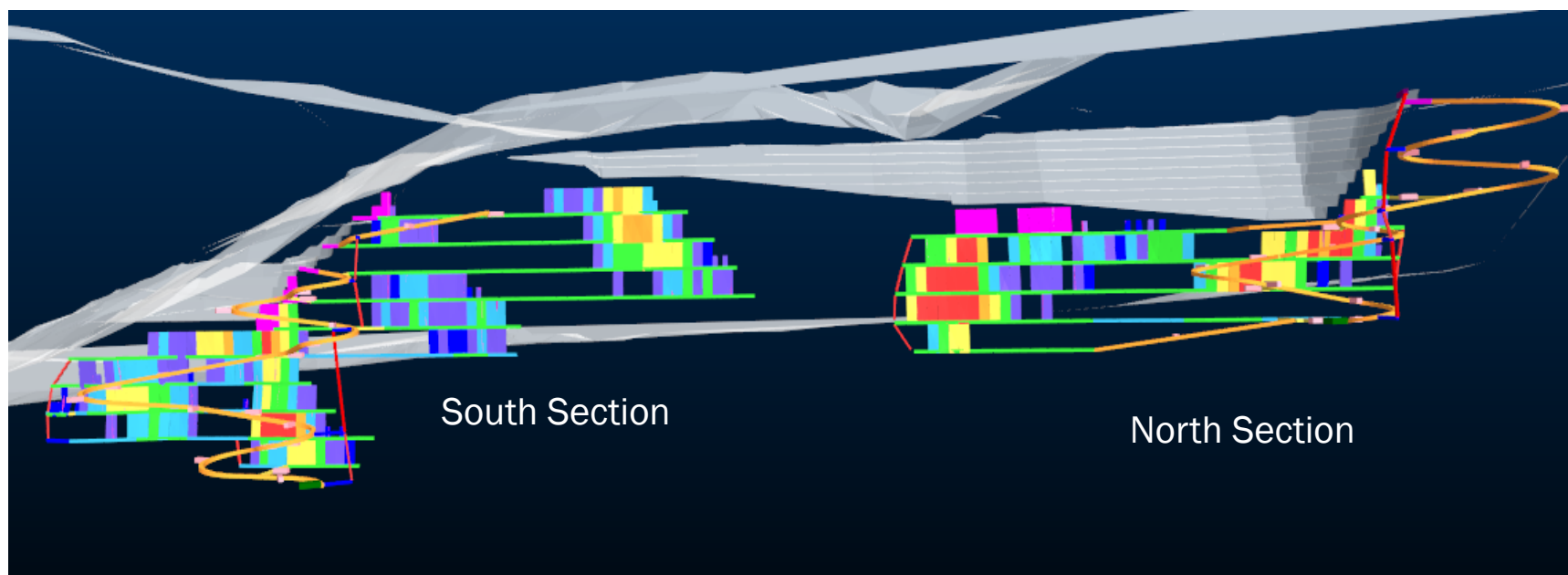


# VERTIKALNY CENTRAL FSU Pit Design





# ▶ **VERTIKALNY CENTRAL** FSU Mine Design (Underground)



## 2016 ACCOMPLISHMENTS

### Improved Resource Quality

- Mangazeisky North – 29% Increase in Indicated & Inferred resource, grade of indicated increased 12% (Mar 1, 2017)
- Vertikalny Central – 35% increase in Indicated grade (Aug 8, 2016)
- Resource Update – added two additional deposits to overall resources (Oct 14, 2016)

### Improved Project Economics

- Updated FS IRR (pre-tax)/(post-tax) 97%/104% increase
- Updated FS NPV 5% discount (pre-tax) /(post-tax) 66% / 74% increase
- Updated FS Minimal increase in CAPEX (3% increase)
- **2017 PEA Increase NPV (5%, pre-tax) US\$157.7 M / US\$139.7 M (5%, post-tax)**

### Advanced Construction

- Processing plant building interior works near completion
- Ball mill final alignment check, cold commissioning underway
- Heating & main generators commissioned
- Pre-stripping open pit, on-site road works

## 2017 LOOKING FORWARD

### Advance Project & Resources

- Complete necessary permitting in-step with construction completion
- Reach project commissioning by mid-2017; starting production Q4 2017
- Target resource growth on existing deposits and potential new areas



Electrowinning tanks construction – main processing plant





## APPENDIX



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# SBR CORPORATE Capital Structure



## Market Summary

### Shares Outstanding / Capitalization (as of Q3 2016)

Shares Issued / Outstanding:	162, 620,351
Options (avg. strike C\$0.37)	9,531,666
Warrants (all expired Jun 2016)	0
Fully Diluted	172,152,017
Market Capitalization (as of March 1, 2017)	C\$70 M
Cash Position (as of Q3 2016)	US\$13 M

### FACILITIES AGREEMENT (SEP 2016)

(Feb 2017 – Agreement in principle to increase Facilities Agreement by US\$15M; Subject to TSX Approval)

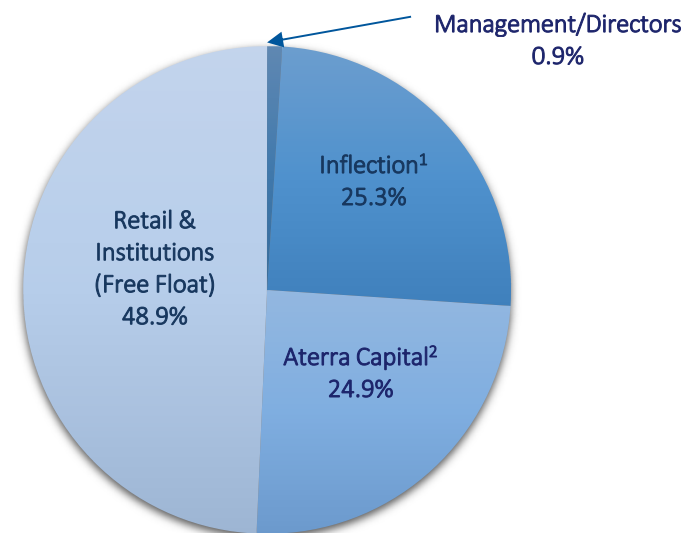
- US\$55 M Project Financing
  - Tranche A – Term Loan – US\$ 43 M; first drawdown in September 2016
  - Tranche B – Working Capital – US\$10 M working capital facility
  - Tranche C – Contingency – US\$2 M

### OUTSTANDING CONVERTIBLE NOTES

(Feb 2017 – Agreement in principle to extend maturity date to December 31, 2017; Subject to TSX Approval)

- **Inflection Notes**
  - Convertible C\$13.5 M / 15% p.a. / 31 Mar 2017 / C\$0.045/sh
- **Aterra Notes**
  - Convertible C\$4.5 M / 15% p.a. / 31 Mar 2017 / C\$0.045/sh

## Shareholder Base

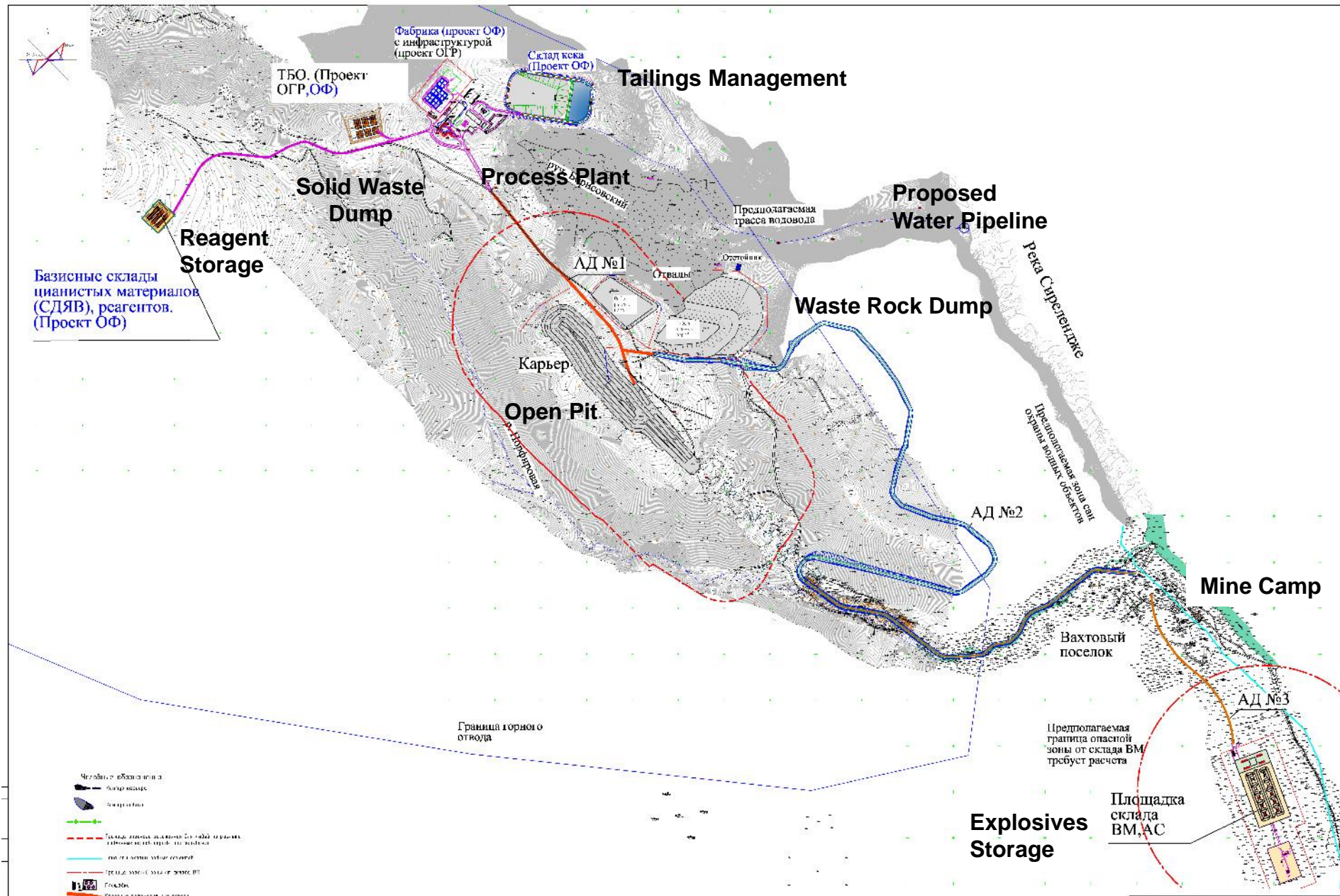


## RUSSIAN MAJOR SHAREHOLDERS

1. Inflection Management Corporation Limited: beneficially owned by Sergey Kolesnikov holds 41,176,471 SBR common shares;
2. A.B. Aterra Resources Ltd.: beneficially owned by Alexey Mordashov holds 40,468,579 SBR common shares



# MANGAZEISKY PROJECT Mine Site Layout



## ► SBR Investment in Local Communities



- Employ and train specified numbers of local people from nearest village Sebyan-Kuel
- Support and assist with local Community projects, such as funding new community centre and sponsoring sporting events
- Regularly communicate with local governments working to improve infrastructure



Gym in new community centre



Local worker on Site



SBR Sponsored Sporting Event



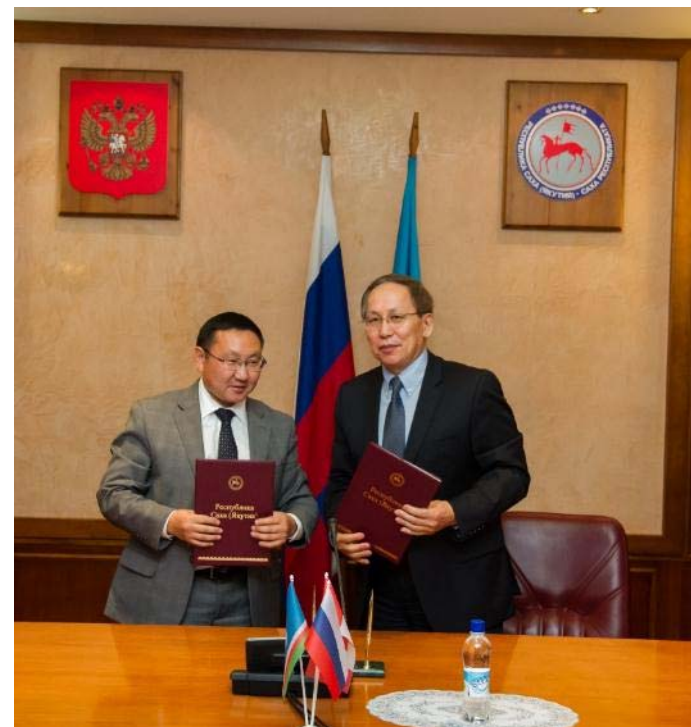
Yakutia Agreement with Department of Employment



## MANGAZEISKY PROJECT Socio-Economic Agreement Signed – Aug 5, 2016



SBR and ZOA Prognoz working with Local Government Officials on reviewing the Socio-economic Agreement



First Deputy Chairman of the Government of the Republic of Sakha and ZOA Prognoz, General Manager, Yury Petrov – signing the socio-economic Agreement

The Agreement demonstrates the Company's commitment to work with the local government towards the socio-economic development of the Republic of Sakha (Yakutia) region in the framework of the Mangazeisky silver project of development.