

## SILVER BEAR FILES FOURTH QUARTER AND YEAR-END 2019 FINANCIAL RESULTS

**2 April 2020 – Toronto, Ontario** – Silver Bear Resources Plc (“Silver Bear” or the “Company”) (TSX: SBR) announces the filing of its audited financial results for the year ended 31 December 2019 today, including development highlights from its Mangazeisky silver project in Far East Russia.

For complete details of the unaudited Interim Consolidated Financial Statements and associated Management’s Discussion and Analysis please refer to the Company’s filings on SEDAR ([www.sedar.com](http://www.sedar.com)) or the Company’s website ([www.silverbearresources.com](http://www.silverbearresources.com)).

### 2019 HIGHLIGHTS

During the year ended December 31, 2019 the Company production statistics included:

- Mined a total of 118,240 tonnes of ore, processed 100,338 tonnes of ore at an average grade of 668 g/t of silver, producing a total of 1,596,987 ounces of silver;
- Sold a total of 1,550,101 ounces of silver totalling production revenue of US\$25,392,537 and reported a total comprehensive loss of \$4,292,674 and an accumulated deficit of \$172,416,877.

In Q1 2019, the Company continued implementing cost reductions in its corporate structure and services, reagent consumption and fuel and energy costs at its Mangazeisky Silver Project, including;

- Securing an additional reduction in the Facilities Agreement interest rate from 10% to 9% per annum from its major shareholders in January 2019; and
- During the quarter, as part of the Company’s cost saving measures Silver Bear has assumed the blasting and drilling work from current contractors.

In Q2 2019, the Company consistently worked to improve overall efficiency of its processing line:

- In May 2019, commissioning of the Merrill Crowe process was successfully completed, as a result, going forward the Company expects additional improvements in its silver recoveries; and
- On June 11, 2019, the Company announced the appointment of Mikhail Ilyin as Chief Financial Officer (“CFO”).

In Q3 2019, the Company achieved another important milestone for the project when it announced full commercial production on July 1, 2019, in addition to:

- In September 2019, president and Chief Executive Officer (“CEO”) of Silver Bear, Vadim Ilchuk officially opened the Company’s Vertikalny Mine at the fifth annual Eastern Economic Forum in Far East Russia; and
- In Q3 2019, the Company engaged Wardell Armstrong (Moscow) to provide a review of the mineral resources as well as revised mine and processing plans of Vertikalny and Mangazeisky North deposits (the “Wardell Review”). The Company expects to receive final results of the Wardell Review in the near future. Though the exact amounts are not currently known, initial indications suggest that the current resources at both deposits may be materially overstated. Final results and any impact on the mine and processing plans will be disclosed once the final Wardell Review has been received and assessed.

In Q4 2019, the Company announced an amendment to its existing facilities agreement (“Facilities Agreement Amendment”) namely:

- The Facilities Agreement Amendment with Inflection Management Corporation Limited (“Inflection”), a major shareholder of the Company, and Unifirm Limited (“Unifirm”), an affiliate of A.B. Aterra Resources Ltd. (“Aterra”), also a major shareholder of the Company, will include amongst other things a US\$4 million increase (see full details below); and
- On December 24, 2019, the Company also announced that the funds from the Facilities Agreement Amendment will go towards the purchase of X-Ray Transmission (“XRT”) processing equipment and flotation line construction, which are expected to further improve overall process plant efficiency and lower operational costs.

*Vadim Ilchuk*, President and CEO, commented: “I would like to thank the determination and commitment of our Prognost team and the support of our major shareholders for helping us achieve full commercial production this year, a major milestone for the Company. Though COVID-19 may impact the Company’s silver production in 2020, the forecast for upcoming year is between 3.0 to 3.5 million ounces.”

“In light of the World Health Organization (“WHO”) declaring COVID-19 a global pandemic in March of this year, the Company has developed and implemented a response and mitigation plan for both its Yakutsk head office and Mangazeisky mine site. At the date of this release we have not yet had any major disruptions at either sites or to our planned production and operations, however we continue to monitor the situation ensuring we keep the safety of our work force our main priority.”

## Operational & Financial Results Summary – Year 2019

The Company achieved first pre-commercial silver production in April 1, 2018 through its commissioning activities at the Mangazeisky Silver Project as construction of the processing plant and associated infrastructure was completed. The Company achieved commercial production at the beginning of the third quarter of this year. During the remainder of the year, the Company continued to increase its productivity in mining and processing on a month over month basis. The table below details the production highlights for the years ended December 31, 2019 and 2018.

	Year ended December 31, 2019 <sup>(1)</sup>	Year ended December 31, 2018 <sup>(2)</sup>
<b>Operating Data</b>		
Ore Mined (tonnes)	118,240	80,831
Ore processed (tonnes)	100,338	51,147
Head grade (g/t Ag)	668	705
Recovery (%)	73.5%	54.6%
Silver ounces produced	1,569,097	594,921
<b>Financial Data</b>		
Silver ounces sold	1,550,101	433,095
Average realized price (US\$/oz)	16.38	14.78
Production and pre-production revenues (US\$)	25,392,537	6,399,813

- (1) Pre-commercial production achieved in April 1, 2018;  
(2) Full commercial production achieved on July 1, 2019.

During the year ended December 31, 2019, the Company mined 118,240 tonnes of ore (Q4 2019: 31,010 tonnes) from its Vertikalny open pit and milled 100,338 tonnes of ore (Q4 2019: 28,568 tonnes), producing 1,569,097 ounces of silver (Q4 2019: 494,249 ounces) contained in dry powder (before smelting losses and refinery adjustment). During the year ended December 31, 2019, the Company sold approximately 1,550,101 ounces of silver at a realized price of US\$16.38 Ag/oz (Q4 2019: 522,527 ounces at US\$17.31 silver price). For the year ended December 31, 2019, the Company sold 1,550,101 ounces of silver for a production revenue of US\$25,392,537

Early in the fourth quarter, the Company’s 2020 winter road procurement and transportation planning was well underway, including tender procedures for fuel stores. Prior to the opening of the winter road there were plus 13 cargo flights to the site with a total of approximately 12 tonnes of procurement delivered, mainly spare parts, building and electrical materials, filter-cloths, workwear delivered to site via the Company’s new airstrip. In January 2020, approximately 1,400 tonnes of supplies were delivered to site via the winter road with the delivery of the new drill rig and excavator still in progress.

In December 2019, the Company it had increased its existing facilities agreement with two US\$2 million additional tranches (Tranche H and Tranche I) the funds will be used to acquire XRT processing equipment and for flotation line construction. The Company expects adding the XRT processing technology to its existing processing line will improve overall process plant efficiency and lower operational costs, as well the flotation equipment will help with the processing of primary ore. The XRT processing equipment will be transported down the 2020 winter road. The Company expects to provide an update on the implementation of the XRT process during the first half of 2020.

As the date of this report there are no construction contractors and approximately 173 Prognoz employees at site. There are also 27 contractors, namely catering and process consultants. As of December 31, 2019, there was no lost time recorded accident at site.

During the third quarter, the Company had reached consistent monthly mining throughput of 9,000 tonnes and increasing silver recoveries and silver production, although they did not meet the feasibility study assumptions. As such, the Company engaged Wardell Armstrong (Moscow) to provide a review of the mineral resources as well as revised mine and processing plans of Vertikalny and Mangazeisky North deposits. Though the exact amounts are not currently known, initial indications suggest that the current resources at both deposits may be materially overstated. Final results and any impact on the mine and processing plans will be disclosed once the final Wardell Review has been received and assessed

In the Second quarter, the Company completed construction of an on-site airstrip the benefits of which include the reducing personnel and cargo logistics costs and lessening flight irregularities due to weather conditions. The Company is also considering building a refueling station at the airstrip in the near future which is expected to further reduce costs.

During the first quarter, to increase silver recovery, an additional Merrill Crowe process was placed at the end of the technological processing circuit. Commissioning of the Merrill Crowe process was completed and was in production at the end of May 2019. As part of the Company's cost saving measures it has taken the blasting and drilling over from current contractors. In March there was a late start to drilling due to the delayed delivery of drilling equipment, which is now on site and operating near to plan.

### **About Silver Bear**

Silver Bear (TSX: SBR) is focused on the development of its wholly-owned Mangazeisky Silver Project, covering a licence area of approximately 570 km<sup>2</sup> that includes the high-grade Vertikalny deposit (amongst the highest- grade silver deposits in the world), located 400 km north of Yakutsk in the Republic of Sakha within the Russian Federation. As of April 2018, the Company attained first silver production as a result of commissioning activities and on 1 July 2019 the Company achieved full commercial production. 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 website at [www.silverbearresources.com](http://www.silverbearresources.com).

### **Cautionary Notes**

This release 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", "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, the Company 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 risk factors include, but are not limited to, the risk factors identified by the Company 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 the Company's actual results, events, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Although the Company 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 the Company assumes no obligation to update or revise them to reflect new events or circumstances, unless otherwise required by law.

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