

Mangazeisky  
Silver Project **PATH  
TO PRODUCTION**



**SILVER  
BEAR**  
RESOURCES INC.



**Investor Presentation – June 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.Ing. 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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# ► Silver Bear Snapshot



## Emerging High Grade Silver Producer

- **Experienced Team & Board**
  - deep experience in Russia with capital market expertise
  
- **High Grade / Quality Assets**
  - Reserve<sup>1</sup> – 22.5 Moz at 852 g/t Ag
  - Indicated Resources<sup>2</sup> – 36.0 Moz at 1,079 g/t Ag
  - Inferred Resources<sup>2</sup> – 24.4 Moz at 504 g/t Ag
  
- **Low Cost / Strong Economics**
  - **Low OPEX**<sup>1</sup>: Cash Cost US\$7.49/oz Ag; Total Cost US\$10.98/oz Ag
  - **NPV**<sup>1</sup>: US\$132.6 M (5%, pre-tax) / US\$123.1 M (5%, post-tax)
  - **IRR**<sup>1</sup>: of 86.1% (pre-tax) / 81.9% (post-tax)
  
- **Significant Exploration Upside**
  - Mangazeisky North deposit shows potential viability of multiple pit single plant operation



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. NI 43-101 Mangazeisky project resource update Feb 2017; Technical Report filed on April 13, 2017.

# ▶ Major Highlights 2016 to 2017



## Operational

- **Logistics** - moved over 12,000 tonnes of fuel and construction material to site via winter road transport since 2015/16; augmented logistics with summer road option
- **Construction** – overall 72% completed with commissioning on track for Summer 2017; with permitting advancing
- **Resources & Reserves** – significant increase in grade and confidence of resources; added reserves category and additional deposits
- **Project Economics** - significantly improved project economics with Updated October 2016 Feasibility Study; Mangazeisky North deposit shows potential viability of multi-pit one plant strategy
- **Exploration Licence Extension** – secured 7-year extension with no minimal work commitments

## Corporate

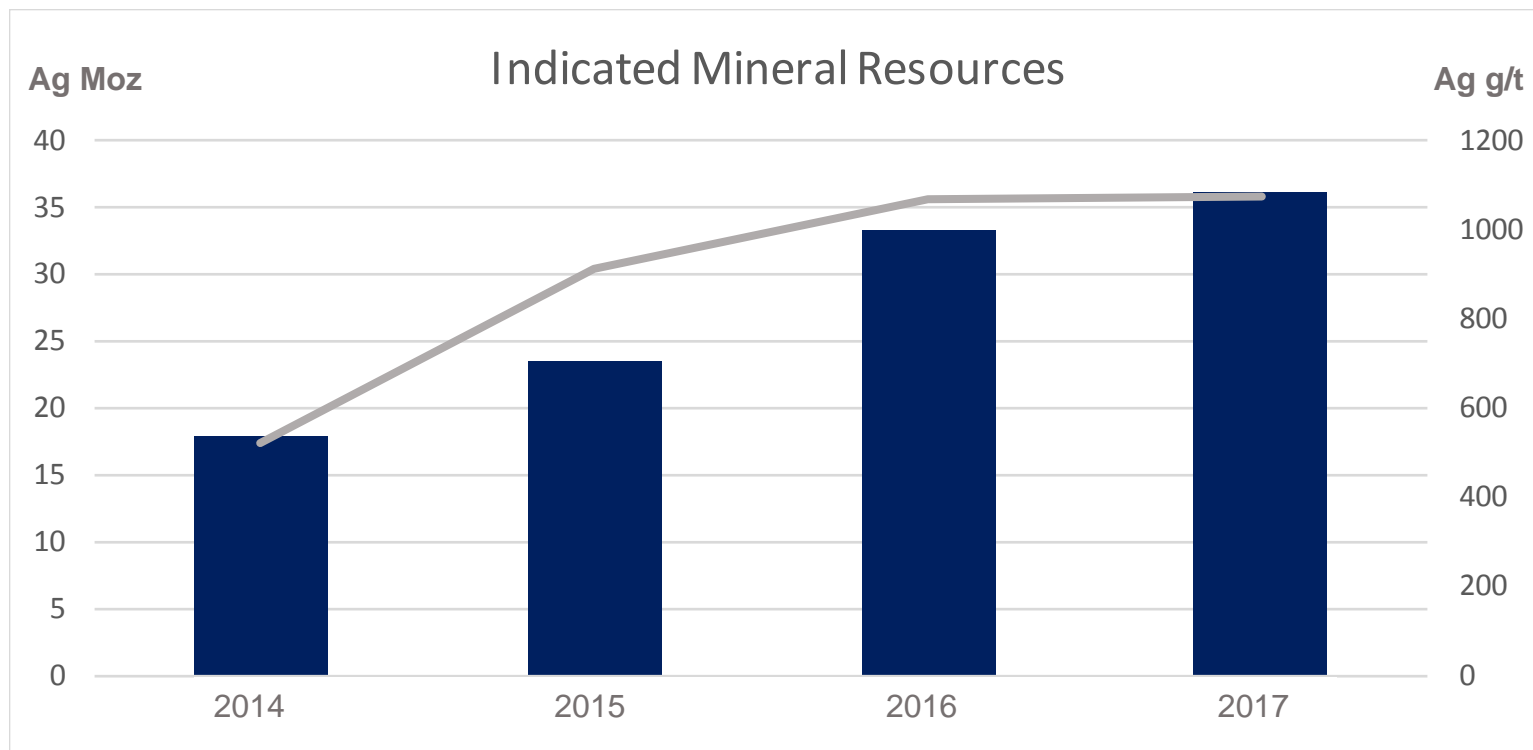
- **Project Financing** – secured Facilities Agreement in Sep 2016; finalized increase to Facilities Agreement in Mar 2017
- **Corporate restructuring** – tax efficient Corporate restructuring re-domiciling from Canada to UK well underway
- **Strengthening Prognoz Team** – appointed new General Director; new Supply Chain Management and Government and Communities Relations team

# ► Resources & Exploration



## ▪ Significantly Improved Quality and Confidence of Resources

- Increased Indicated Resources Total grade by **108%**;
- Increased Indicated Resources Total contained ounces by **101%**;
- Added Mangazeisky North to Indicated Mineral Resource category;
- **Defined Mineral Reserves at Vertikalny Central – 25.5 M ounces Ag grading 852 g/t Ag**; and
- Added three new deposits into the NI 43-101 Mineral Resources since 2014



Silver Moz  Silver Grade 

# ► Project Economics



## Significantly Improved Project Economics

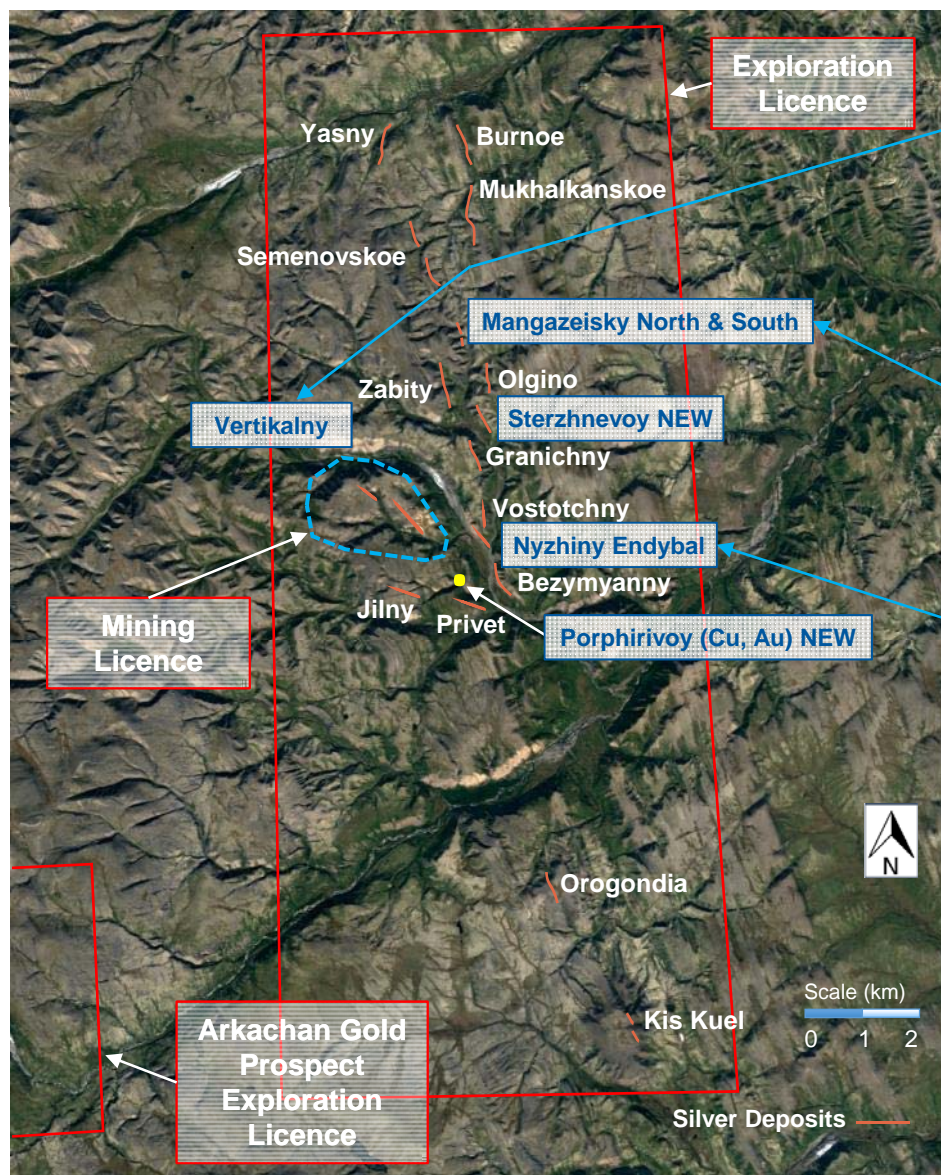
- 2014 PEA upgraded to Feasibility Study in June 2016
  
- Improvement to Feasibility Study announced in October 2016
  - **97%** increase in IRR (pre-tax) from 43% to 86%
  - **66%** increase in NPV (5%, pre-tax) from US\$79M to US\$132M
  - **38%** reduction in pay-back (pre-tax) from 2.2 years to 1.3 years
  - **12%** increase in LOM silver production from 16.8M ounces to 18.9M ounces
  
- Further improvements with Mangazeisky North deposit shows potential viability of the multiple pit single plant operation strategy



Last slab of concrete flooring – Main Processing Plant



# Mangazeisky Project – 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 in 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

**72%** completed

(As of June 2017)

### INITIAL COMMISSIONING

**Cold** commissioning of Ball Mill and Power Plant underway

### PERMITTING ADVANCING

**In-step** with advances in construction



Commissioning date mid-2017; Production Q4 2017 – Q1 2018

See MD&A May 12, 2017





Open Pit

Crusher

Main Processing, Crushing & Service Buildings

Power Station

Fire Water

Boiler

Fuel Storage

Tailings & Waste Water Management

**BIRDS EYE VIEW – PROCESSING PLANT** (September 2016)



## ► Mangazeisky Project Transportation Logistics



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



Russian Army MI6 Helicopter (largest in the world), helped with transport of essential goods

# ► Construction Progress

Water bore hole and pipeline



Road #2 from Camp to Plant & Open Pit



# ► Construction Progress

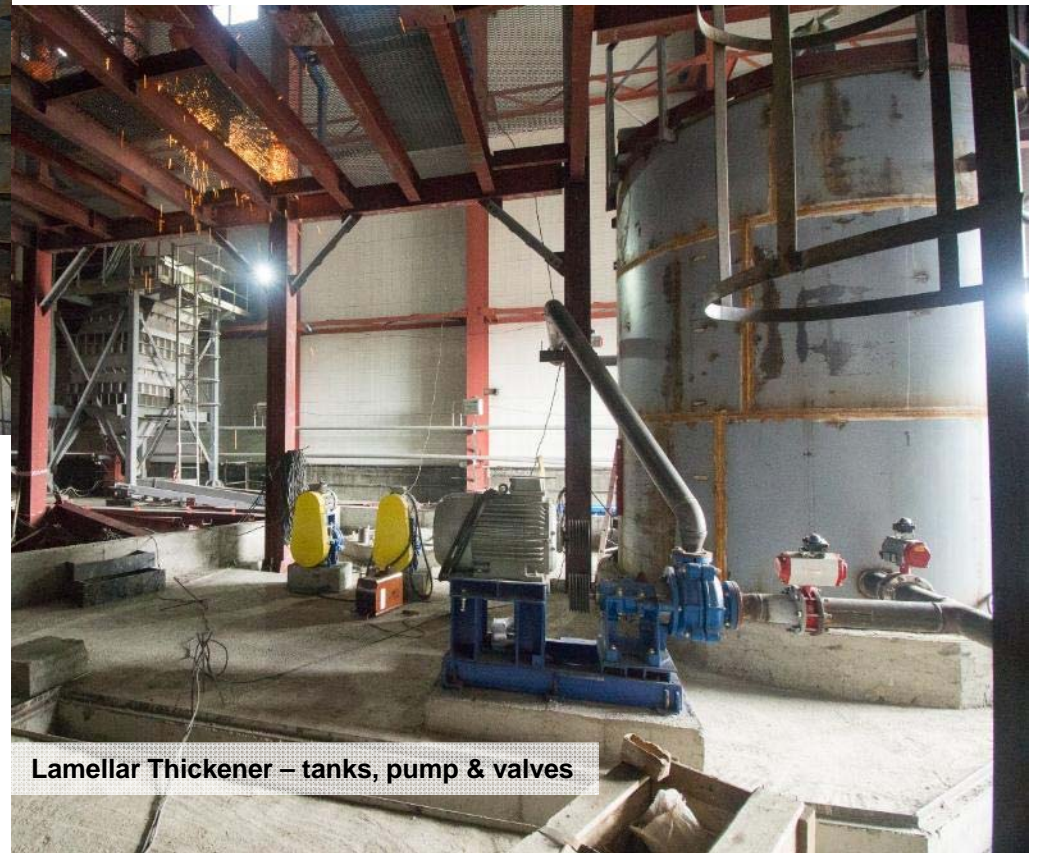




# ► Construction Progress



Radial Thickener



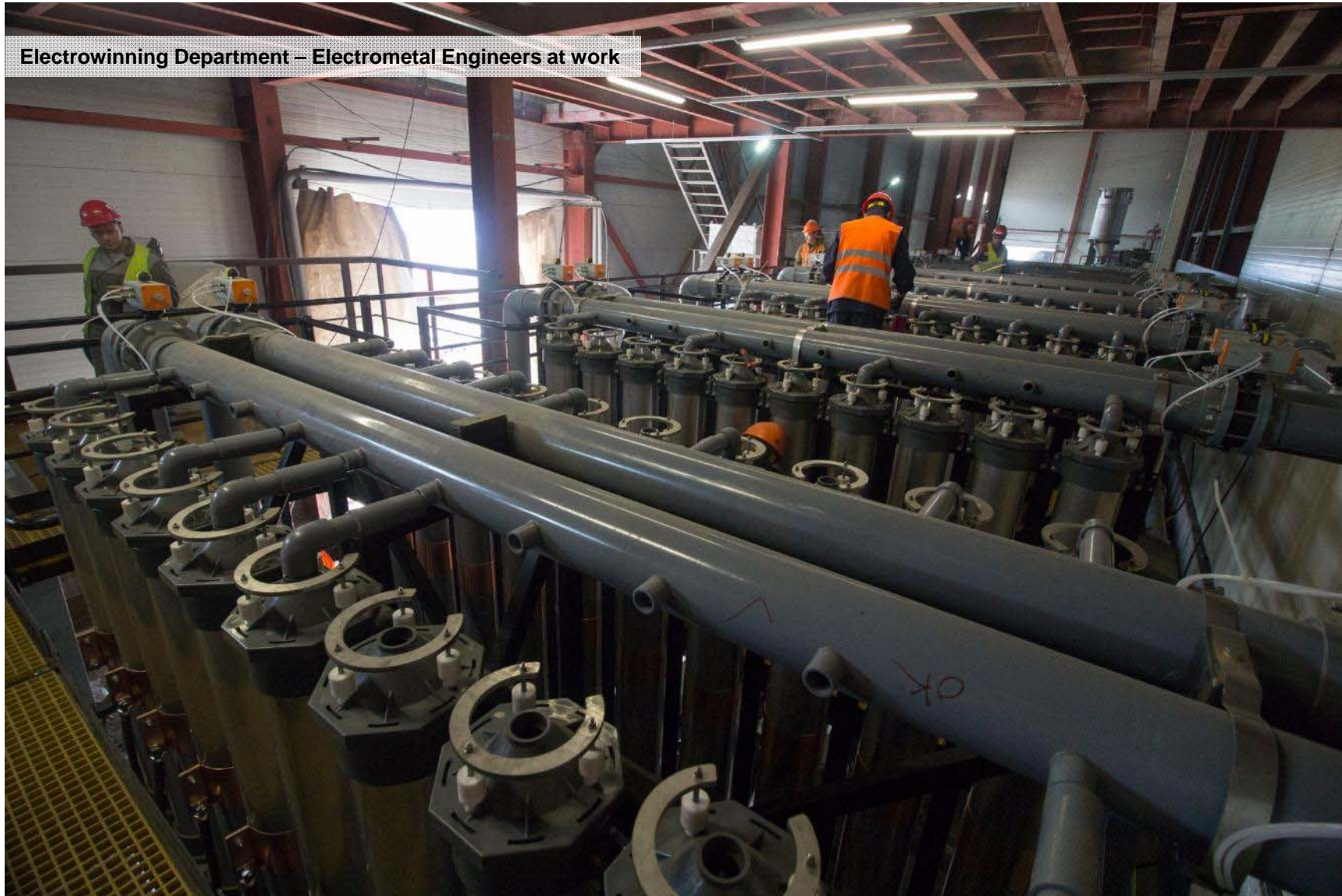
Lamellar Thickener – tanks, pump & valves

# ► Construction Progress





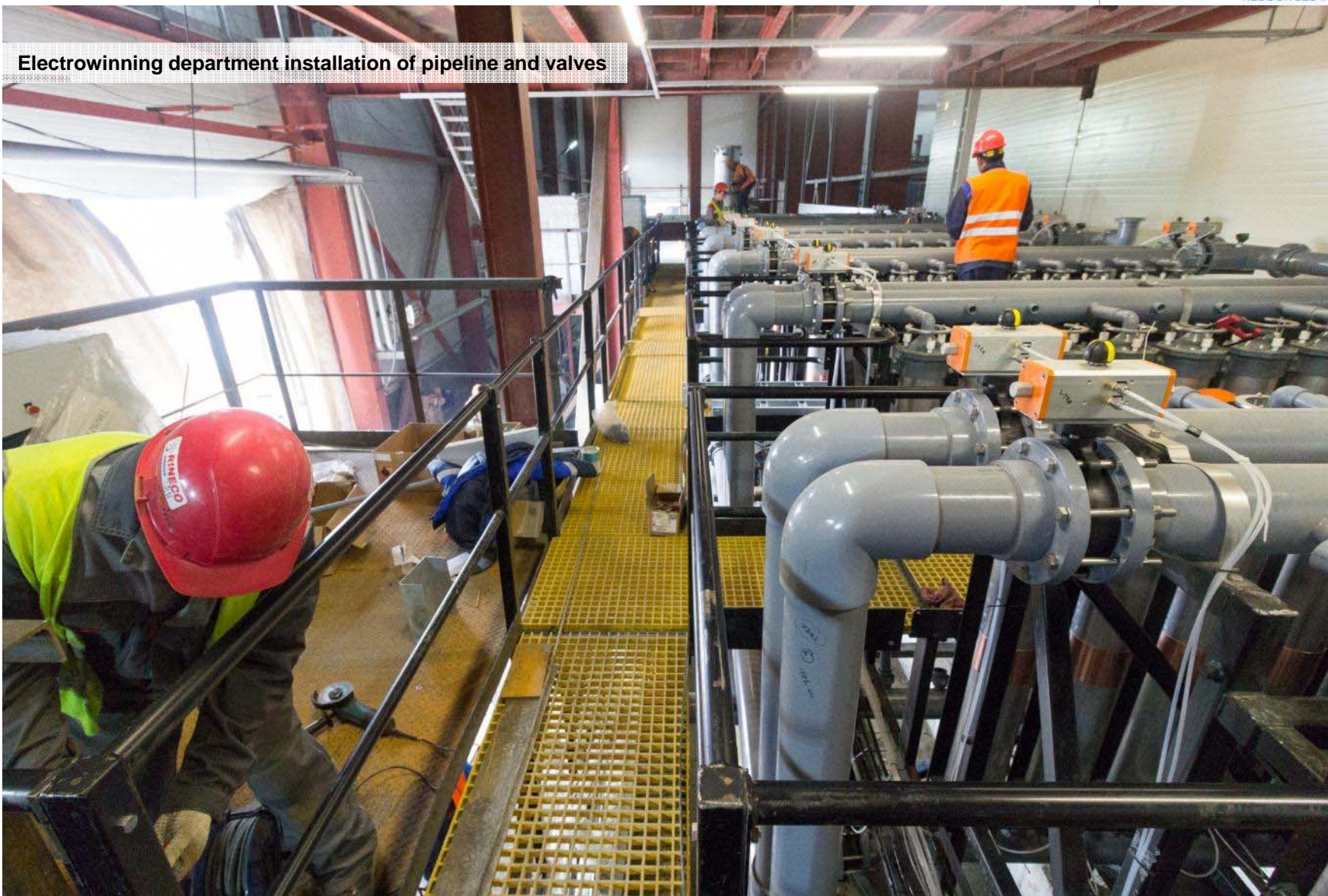
# ▶ Construction Progress







# Construction Progress





# ► Construction Progress





# ► Construction Progress



## ► Local Community Relations



All-Russian reindeer herdsman forum – May 2017







# APPENDIX



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# SBR CORPORATE Capital Structure



## Market Summary

### Shares Outstanding / Capitalization (as of Q1 2017)

Shares Issued / Outstanding:	162, 930,351
Options (avg. strike C\$0.37)	8,971,666
Warrants (all expired Jun 2016)	0
Fully Diluted	171,902,017
Market Capitalization (as of June 8, 2017)	C\$49 M
Cash Position (as of Q1 2017)	US\$3.7 M

### FACILITIES AGREEMENT (SEP 2016)

(Mar 2017 – Agreement to increase Facilities Agreement by US\$15M; US\$5 M is subject to shareholder Approval June 2017)

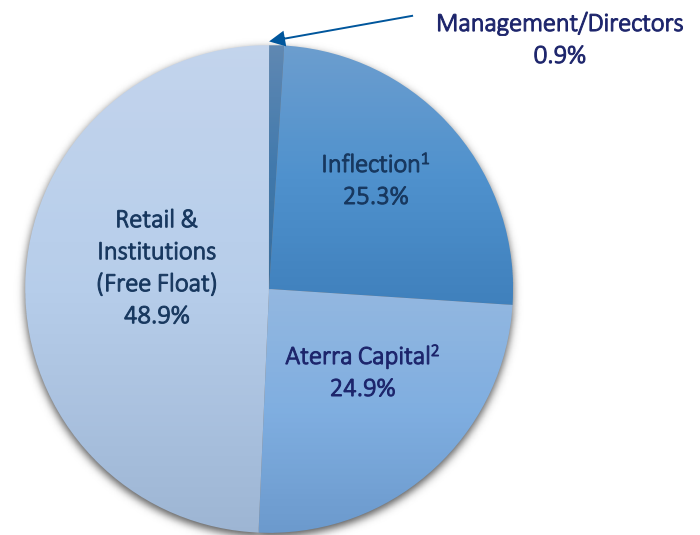
- US\$55 M Project Financing
  - Tranche A – Term Loan – US\$ 43 M; first drawdown in September 2016
  - Tranche B – Working Capital – US\$10 M working capital facility
  - Tranche C – Contingency – US\$2 M

### 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





# EXPERIENCED TEAM & BOARD Diverse Skill Set



## MANAGEMENT TEAM

<b>Graham Hill, <i>President, CEO &amp; Director</i></b>	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>Vadim Ilchuk, <i>CFO</i></b>	Mining executive with 19 years experience in mining industry and natural resource investment business. Extensive background in international mine finance and accounting, financial reporting and corporate governance.

## BOARD OF DIRECTORS

<b>Chris Westdal, <i>Non-executive Chairman</i></b>	Former Canadian ambassador to Russia
<b>Boris Granovsky, <i>Director</i></b>	Managing Partner, Aterra Capital – major shareholder
<b>Dominic Gualtieri, <i>Director</i></b>	Resource and mine finance executive
<b>Alexey Sotskov, <i>Director</i></b>	Director, Inflection Management Corp. – major shareholder

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

# ▶ 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



## ▶ VERTIKALNY DEPOSITS 2016 FSU



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

Item	October 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 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)
Porphirovy	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 Porphirovy 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.



## ► 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 economic and social relations



Gym in new community centre



Local worker on Site



SBR Sponsored Sporting Event

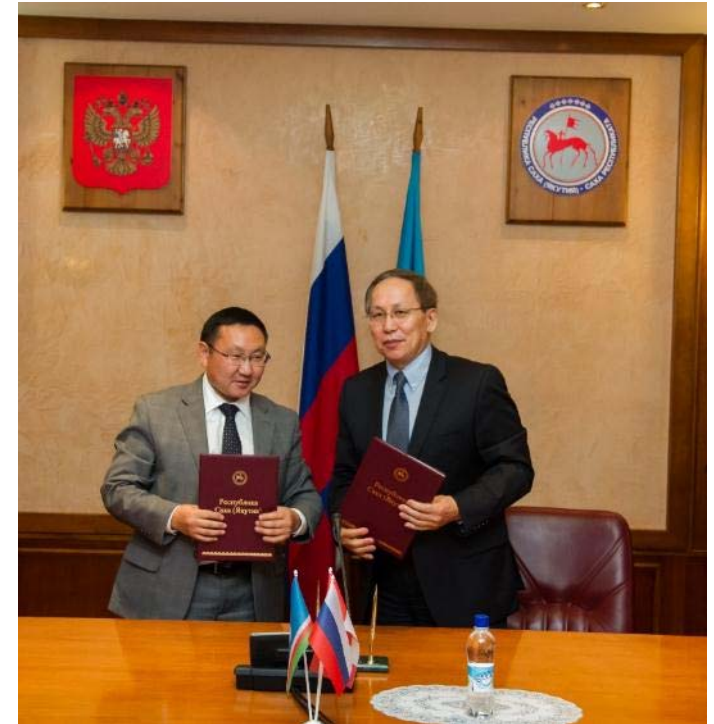


Yakutia Agreement with Department of Employment

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



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



First Deputy Chairman of the Government of the Republic of Sakha and ZAO 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.