



# Achieved Commercial Production Milestone Q3 2019

MANGAZEISKY SILVER PROJECT  
**SILVER PRODUCER**

**Corporate Presentation**  
Q2 2019  
August 2019

# 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, CEng, PrEng, MScEng, PMP visited the site on 21<sup>st</sup> July 2014, for one day. Robert Davies, B.Sc (Hons), CGeol, EurGeol, FGS, visited the site between the 12-15<sup>th</sup> September 2016 and between 26<sup>th</sup> June and 9<sup>th</sup> July 2016. Both are Tetra Tech Qualified Persons under National Instrument 43-101 and, has reviewed and approved the scientific and technical information in this presentation.

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# Q3 2019 Report Highlights



For the three and nine-month period ending September 30, 2019, and thereafter, the Group:

- Achieved full commercial production starting July 1, 2019;
- Officially opened the Group's Vertikalny Mine at the fifth annual Eastern Economic Forum in Far East Russia;
- 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 Group expects to receive the final results of the Wardell Review in the near future;
- Produced a total of 502,134 ounces of silver for the three-month period ended September 30, 2019, with a total of 1,074,848 ounces of silver produced to date;
- Sold a total of 400,877 ounces of silver of US\$ 6,806,711 for the three-month period ended September 30, 2019;
- Mined a total of 27,577 tonnes of ore, processed 26,576 tonnes of ore at an average grade of 832 g/t of silver for the three-month period ended September 30, 2019;
- The Group has reported a total comprehensive loss for the three-month period ended September 30 2019 of \$2,858,171 and an accumulated deficit of \$167,700,175.

# Vertikalny Silver Mine – Q3 2019

## Q3 Commercial Production Highlights

- Achieved full commercial production in third quarter of 2019
- Processing and mining cost optimizations continue with the Group taking over open pit blasting and drilling from current contractors

	Commercial Production	Pre-Commercial Production	Commercial Production	Pre-Commercial Production
	Three-months ended Sep 30, 2019	Three-months ended Sep 30, 2018	Nine-months ended Sep 30, 2019	Nine-months ended Sep 30, 2018
<b>Operating Data</b>				
Ore mined (tonnes)	27,577	34,128	87,230	55,565
Ore processed (tonnes)	26,576	18,936	71,769	33,020
Head grade (g/t Ag)	832	732	670	711
Recovery (%)	70.7%	55.7%	70.5%	56.7%
Silver ounces produced (oz Ag)	502,134	262,923	1,074,848	335,230
<b>Financial Data</b>				
Silver ounces sold (oz Ag)	400,877	177,321	1,027,574	187,793
Average realized price (US\$/oz)	16.98	14.96	15.91	15.03
Pre-commercial production revenues (US\$)	6,806,711	2,652,279	16,345,990	2,823,515



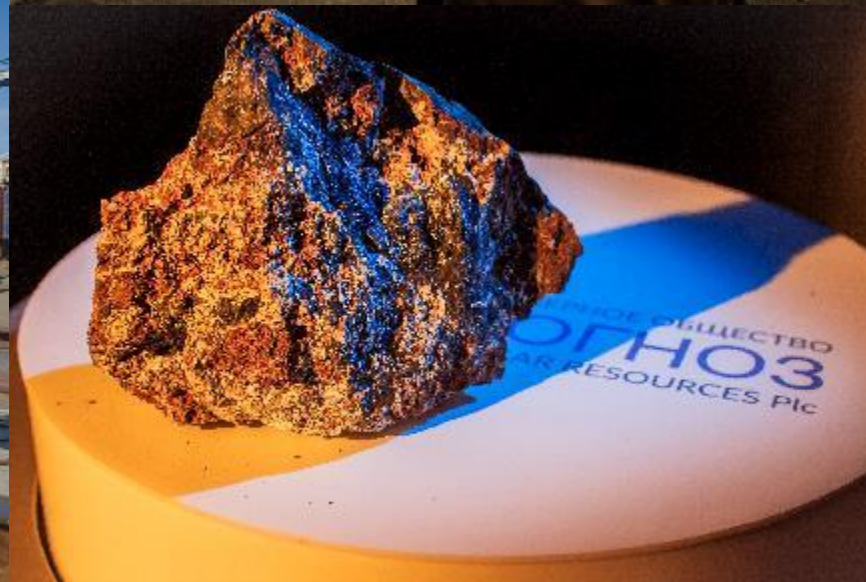
# Official Opening of Vertikalny Mine

***Achieved full commercial production on July 1, 2019***



<https://drive.google.com/open?id=1t1X5tP4ASMZyD0owHRfor0VkyZdyZpA1>

# Achieve Commercial Production: Q3 2019





# Organic Growth

## Solid Pipeline of Organic Value Creating Opportunities



**Mangazeisky North**

### 2017

- Indicated Resource: **8.3 Moz silver @ 770 g/t Ag**
- Inferred Resource: **2.8 Moz silver @ 459 g/t Ag**
- Positive PEA announced

### 2018

- selection of Feasibility Study consultant
- Project licencing underway
- 21 hole drill program completed (1,250 m)
- Resource update anticipated



**Nizhny Endybal**

### 2017

- Inferred Resource: **7.2 Moz silver @ 316 g/t Ag**

### 2018

- Four holes drilled with a total volume of 200 linear meters.
- Results of analysis of grab samples, silver grades are 16.23 g/t up to 10,068 g/t, gold – 0.1 g/t to 6.15 g/t.
- Resource update anticipated



**Kis Kuel**

### 2019

- Kis-Kuel have a direct genetic link with a cooling felsic intrusion and corresponds to reduced intrusion-related gold systems
- Mineralization is located at the top of small Kis-Kuel pluton and include two types of ore veins in 11 prospects discovered to date
- 2018 exploration included pre-trenching cleaning of areas, mapping and sampling; mineralization include both silver ore veining and gold stockwork bearing areas
- 2019 exploration program planning underway

# Phased Development Approach

## One Plant – Multiple Pit Growth Potential

### Construction (2.5 years)

### Phase I (4 years) Vertikalny Open Pit

### Phase II (3 years) M North Open Pit

### Phase III (9 years) Organic Growth / UG

#### 2015-2017

- Completion of construction and permitting
- Transport of cyanide down 2017/18 winter road

#### 2018

Production  
Start Q2  
2018

#### 2018-2021

- Commercial Production Q3 2019
- Open pit mining Vertikalny deposit
- M North Feasibility Study completed

#### 2021-2024

- Open pit mining M North deposit
- Further expand resources / economic studies on potential other deposits

#### 2024- onwards

- Vertikalny Underground mining phase
- Potential to expand open pit operations with other discoveries

Reindeer Herd at Processing Plant





# 2019 Targets – Focus on Delivery

## Optimize Returns

- Full commercial production was achieved in Q3 2019
- Continue to further enhance profitability: optimize production, operational costs and technical performance
- Reduce debt: start repayment; interest rate decrease cost savings



## Building Value

- Advance promising exploration pipeline, Mangazeisky, Nizhny Endybal & Kis Kuel
- Continue building our local government and communities relationship
- Expand our engagement with stakeholders



# Supporting Community Engagement

- 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
- Infrastructural work on ice road around local communities



Silver Bear upgrades Local community infrastructure along ice road



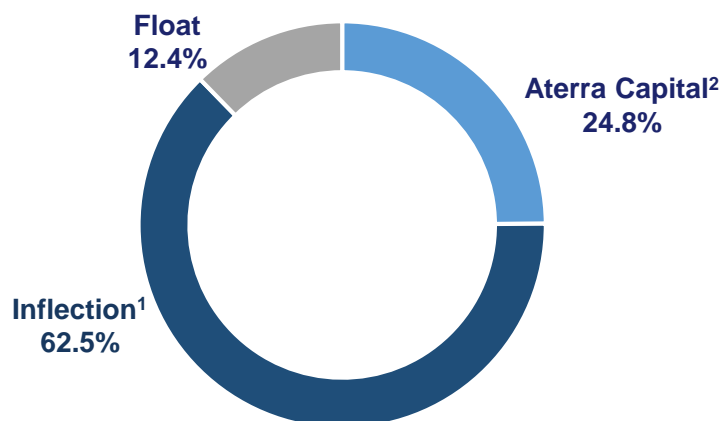
# SBR Corporate Structure

## Market Capitalization Summary

(as Dec 5, 2019)

Shares Issued / Outstanding	672,140,902
Options (avg. strike C\$0.24)	25,051,000
Warrants (all expired Jun 2016)	0
Fully Diluted	697,191,902
Market Capitalization	C\$108 M
Cash Position (Q3 2019)	US\$1.8 M

## Shareholder Base



1. Inflection Management Corporation Limited: beneficially owned by Sergey Kolesnikov holds 419/8 M SBR common shares;
2. A.B. Aterra Resources Ltd.: beneficially owned by Alexey Mordashov holds 166.6 M SBR common shares

## Experienced Management

- **Vadim Ilchuk, CEO**  
Russian mining executive with +19 years experience in mining industry and natural resource investment, international mine finance and accounting in Russia and North America
- **Alexey Sotskov, Deputy CEO**  
Russian mining executive with +15 years of project management experience in the technology and business process optimization in construction and natural resource industries
- **Mikhail Ilyin, CFO**  
Russian financial and audit executive joined Silver Bear from United Cable Group where he was head of finance control also served as senior audit consultant at PwC LLP in Moscow

## Strong Board – Diverse Skill Set

- Chris Westdal, Chairman – Former Canadian Ambassador to Russia
- Dominic Gualtieri, Director – Resource and Mine Finance Executive
- Maxim Matveev, Director – Managing Partner Aterra Capital – major shareholder
- Alexey Sotskov, Director – Director Inflection Management – major shareholder





## Appendix



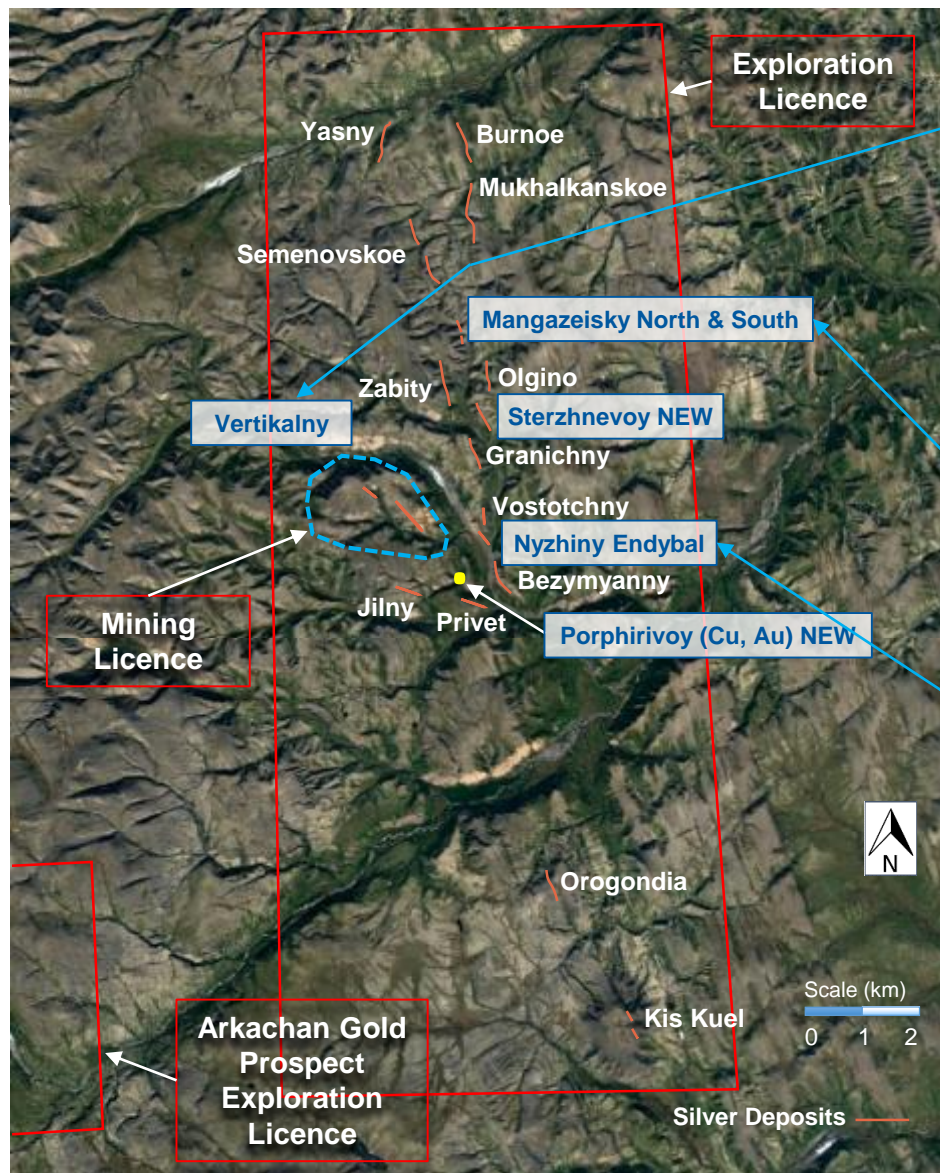


# Quality Assets: Mangazeisky Silver Project



- 2013 awarded 20-year Mining Licence; 2016 awarded of 7-year Exploration Licence
- Yakutsk capital of Russia's largest region Sakha Republic, one of the largest cities in Far East Russia
- Significant mining activity and experience in the region (Mining University in Yakutsk)

# Exploration Upside: Organic Growth Potential



## **Vertikalny** *Update December 2017*

- NI 43-101 Measured Resource:  
700 kt containing **1.8 Moz silver @ 1,572 g/t Ag**
- NI 43-101 Indicated Resource:  
700 kt containing **26.3 Moz silver @ 1,130 g/t Ag**
- NI 43-101 Inferred Resource:  
550 kt containing **8.5 Moz silver @ 762 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**
- 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

## NI 43-101 Total Resources – Last Update December 2017



Zone	Measured Resource			Indicated Resource			Inferred Resource		
	Tonnes	Grade Ag (g/t)	Contained Metal Ag (troy oz)	Tonnes	Grade Ag (g/t)	Contained Metal Ag (troy oz)	Tonnes	Grade Ag (g/t)	Contained Metal Ag (troy oz)
Vertikalny Central	40000	1,572	1,800,000	720,000	1,130	26,300,000	350,000	762	8,500,000
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>Total</b>	<b>40,000</b>	<b>1,572</b>	<b>1,800,000</b>	<b>1,054,000</b>	<b>1,016</b>	<b>34,550,000</b>	<b>1,495,000</b>	<b>499</b>	<b>23,960,000</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 4<sup>th</sup> of December 2017 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.