

Report to:

Silver Bear Resources Inc.



**Technical Report and Resource Estimate
of the Mangazeisky Silver Project,
Yakutia, Russia**

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SILVER BEAR RESOURCES INC.



TECHNICAL REPORT AND RESOURCE ESTIMATE ON THE MANGAZEISKY SILVER PROJECT, YAKUTIA, RUSSIA

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GLOSSARY

UNITS OF MEASURE

above mean sea level.....	amsl
acre.....	ac
ampere.....	A
annum (year).....	a
billion.....	B
billion tonnes.....	Bt
billion years ago.....	Ga
British thermal unit.....	BTU
centimetre.....	cm
cubic centimetre.....	cm ³
cubic feet per minute.....	cfm
cubic feet per second.....	ft ³ /s
cubic foot.....	ft ³
cubic inch.....	in ³
cubic metre.....	m ³
cubic yard.....	yd ³
Coefficients of Variation.....	CVs
day.....	d
days per week.....	d/wk
days per year (annum).....	d/a
dead weight tonnes.....	DWT
decibel adjusted.....	dBa
decibel.....	dB
degree.....	°
degrees Celsius.....	°C
diameter.....	∅
dollar (American).....	US\$
dollar (Canadian).....	Cdn\$
dry metric ton.....	dmt
foot.....	ft
gallon.....	gal
gallons per minute (US).....	gpm
Gigajoule.....	GJ
gigapascal.....	GPa
gigawatt.....	GW
gram.....	g
grams per litre.....	g/L
grams per tonne.....	g/t
greater than.....	>
hectare (10,000 m ²).....	ha
hertz.....	Hz
horsepower.....	hp
hour.....	h

hours per day	h/d
hours per week.....	h/wk
hours per year	h/a
inch	in
kilo (thousand)	k
kilogram.....	kg
kilograms per cubic metre.....	kg/m ³
kilograms per hour.....	kg/h
kilograms per square metre.....	kg/m ²
kilometre.....	km
kilometres per hour	km/h
kilopascal	kPa
kilotonne.....	kt
kilovolt	kV
kilovolt-ampere.....	kVA
kilovolts.....	kV
kilowatt	kW
kilowatt hour.....	kWh
kilowatt hours per tonne.....	kWh/t
kilowatt hours per year	kWh/a
less than	<
litre	L
litres per minute.....	L/m
megabytes per second	Mb/s
megapascal	MPa
megavolt-ampere	MVA
megawatt.....	MW
metre	m
metres above sea level	masl
metres Baltic sea level	mbsl
metres per minute	m/min
metres per second.....	m/s
microns.....	µm
milligram.....	mg
milligrams per litre	mg/L
millilitre	mL
millimetre.....	mm
million	M
million bank cubic metres	Mbm ³
million bank cubic metres per annum.....	Mbm ³ /a
million tonnes.....	Mt
minute (plane angle).....	'
minute (time).....	min
month	mo
ounce	oz
pascal	Pa
centipoise	mPas
parts per million	ppm

parts per billion	ppb
percent	%
pound(s)	lb
pounds per square inch.....	psi
revolutions per minute.....	rpm
second (plane angle)	"
second (time)	s
short ton (2,000 lb).....	st
short tons per day	st/d
short tons per year	st/y
specific gravity.....	SG
square centimetre.....	cm ²
square foot	ft ²
square inch.....	in ²
square kilometre	km ²
square metre.....	m ²
three-dimensional	3D
tonne (1,000 kg) (metric ton).....	t
tonnes per day	t/d
tonnes per hour.....	t/h
tonnes per year	t/a
tonnes seconds per hour metre cubed	ts/hm ³
volt	V
week.....	wk
weight/weight.....	w/w
wet metric ton	wmt

ABBREVIATIONS AND ACRONYMS

Silver Bear Resources Inc.	Silver Bear
National Instrument 43-101.....	NI 43-101
Prognoz ZAO	Prognoz
preliminary economic assessment.....	PEA
System for Electronic Document Analysis and Retrieval.....	SEDAR
SGS Vostok Limited	SGS Vostok
ordinary kriging	OK
quantitative kriging neighbourhood analysis	QKNA
qualified persons	QP
Federal Subsoil Resources Management Agency	ROSNEDEA
Federal State Unitary Enterprise Central Institute of Science Research and Geological Surveying of Base and Precious Metals	TSNIGRI
Federal State Unitary Enterprise State Scientific-Research Institute for Nonferrous Metals	GINTSVETMET
National Resource Company.....	NRC
JSC Yangeologia	Yangeologia
Administration for Subsoil Use in the Republic of Sakha-Yakutia	YAKUTNEDEA
Canadian Institute for Mining, Metallurgy and Petroleum	CIM
azimuth.....	Az
Differential Global Positioning Systems	DGPS
Universal Transverse Mercator	UTM

World Geodetic System	WGS
rock quality designation	RQD
Geospark Core Database System™	Geospark
Chemical Laboratory of the State Enterprise Aldangeologiya	Aldan Lab
International Organization for Standardization.....	ISO
International Electrotechnical Commission	IEC
atomic absorption.....	AA
inductively coupled plasma.....	ICP
quality assurance.....	QA
quality control	QC
global positioning system.....	GPS
digital rights management	DRM
the run-of-mine	ROM
Technologies of Mineral Separation	TOMS
CAE Datamine Studio 3 software (version 3.24.25).....	Datamine
GEOVIA Surpac software (version 6.6.2).....	Surpac
Supervisor V8 software	Supervisor
inverse distance weighting squared	IDW ²
comma-separated values.....	.csv
digital interchange format.....	.dxf
Geological Database Management System	GDBM

1.0 SUMMARY

Silver Bear Resources Inc. (Silver Bear) retained Tetra Tech to estimate a new Mineral Resource and complete a technical report for the Vertikalny silver deposit, which lies within the Mangazeisky Property (the Property or the Project), within the Republic of Sakha (Yakutia), Russia.

The technical report also restates the current Mineral Resource for the Nizhny Endybal deposit, which also lies within the Property, and was originally disclosed by Tetra Tech in February 2013 (Tetra Tech 2013).

This technical report conforms to the standards set out in National Instrument 43-101 (NI 43-101) Standards of Disclosure for Mineral Projects, and is compliant with Form 43-101F1.

1.1 PROPERTY DESCRIPTION AND LOCATION

The Property is located approximately 400 km north of Yakutsk, in the Kobyask district, within the Republic of Sakha (Yakutia). The Property longitude and latitude are approximately 65° 40' south and 130° 07' east.

The Property is defined by the mineral rights to a single mining license, and is 100% held by Prognoz ZAO (Prognoz), a private Russian closed-joint stock company based in Yakutsk. Prognoz is a 100% held subsidiary of Silver Bear.

The mining license, number YaKU 03626 BE, covers the entire Vertikalny silver deposit over an area of 13.55 km². The coordinates of the mining licenses are found in Table 1.1.

Figure 1-1 Location Map for the Property



Source: Tetra Tech

Table 1.1 Coordinates for the Mining License

Mining License YaKU 03626 BE		
Corner No.	Northing Coordinate	Easting Coordinate
1	65° 41'15.917"	130° 01'55.38"
2	65° 41'41.938"	130° 03'23.15"
3	65° 41'37.066"	130° 04'59.859"
4	65° 41'20.21"	130° 06'27.196"
5	65° 40'08.102"	130° 08'20.361"
6	65° 39'44.803"	130° 08'11.742"
7	65° 39'40.272"	130° 07'17.802"
8	65° 39'46.221"	130° 05'22.19"
9	65° 39'54.675"	130° 03'29.389"
10	65° 40'11.35"	130° 01'57.673"
11	65° 40'46.388"	130° 01'42.001"

The mining license is situated in the central west portion of the Endybal exploration license (also known as the Mangazeisky exploration license), number YaKU 12692 BP, and covers several other exploration targets and silver deposits over an area of 570 km². The coordinates of the exploration licence are found in Table 1.2.

Table 1.2 Coordinates for the Exploration License

Exploration License YaKU 12692 BP		
Corner No.	Northing Coordinate	Easting Coordinate
1	65° 49'35"	130° 00'00"
2	65° 49'35"	130° 19'20"
3	65° 29'00"	130° 22'00"
4	65° 29'00"	130° 00'00"

A summary of all of the existing licence information is detailed in Table 1.3.

Table 1.3 Property Mineral Licences

Licence Name	Licence ID	Type	Area (km ²)	Issue Date	Expiry Date	Annual Fees (RUB)
Endybal Area (Mangazeisky)	YaKU 12692 BP	Geological Allotment	570.00	28 th September 2004	31 st December 2016	153,900
Vertikalny Deposit	YaKU 03626 BE	Licence to Use Subsoil	13.55	31 st August 2013	1 st September 2033	110,771

1.2 GEOLOGY AND MINERALISATION

1.2.1 REGIONAL GEOLOGY

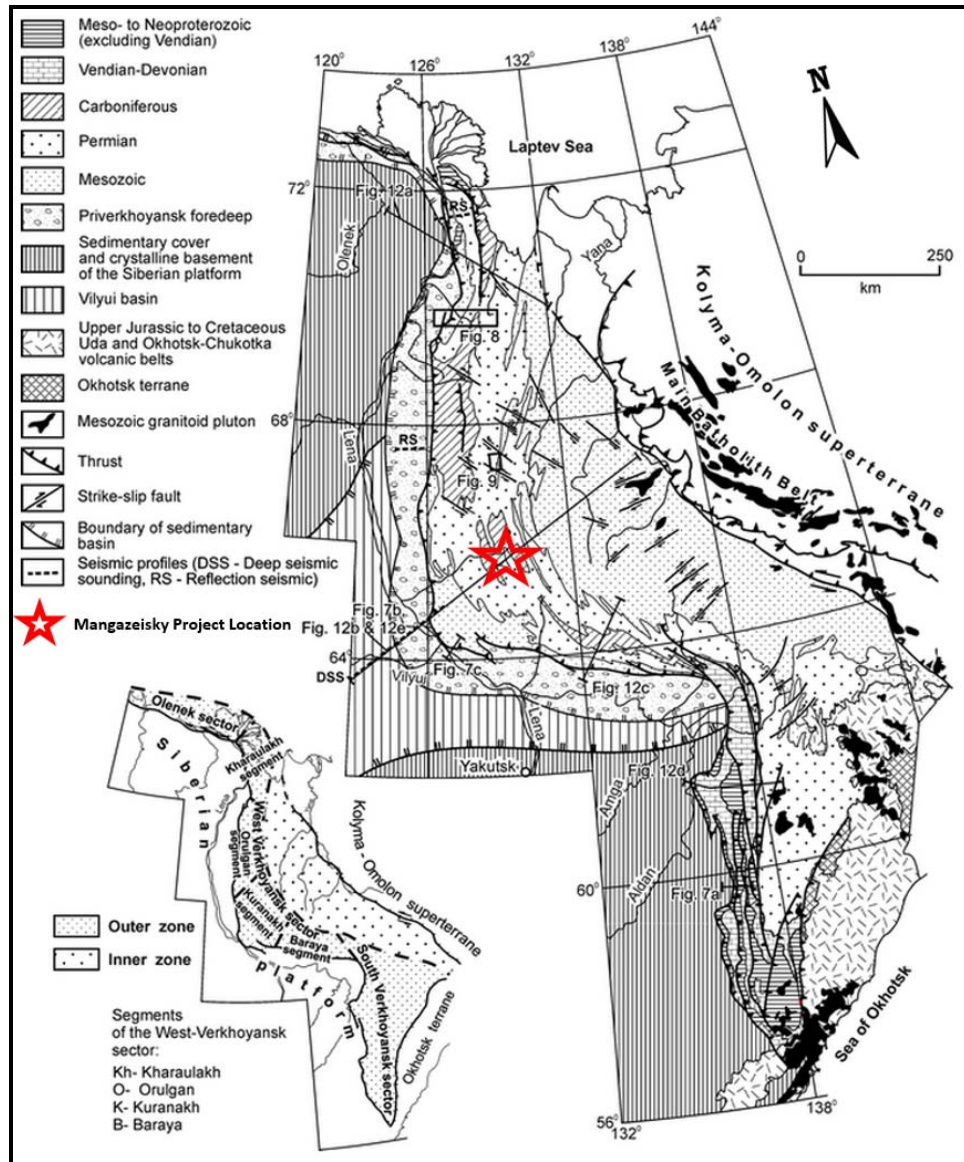
The Property is located within the Verkhoyansk mobile belt of northeastern Yakutia. The fold-and-thrust belt forms part of a major orogenic system separating the Siberian North Asian Craton to the west from the immense expanse of accreted terranes that form most of the Russian Far East.

The belt extends for 2,000 km from the Laptev Sea to the Sea of Okhotsk. It is comprised of a greater than 7 km thick sequence of Late Precambrian to Triassic rocks deposited along the Palaeo-Pacific margin of the Siberian Craton, which developed because of rifting events during the Late Precambrian period and again during the Late Devonian to Early Mississippian periods.

Deformation during the Late Jurassic to Early Cretaceous occurred with low-grade metamorphism in the internal parts of the belt and the emplacement of high-level granitic bodies. Strike-slip faulting occurred during the Tertiary period.

The central part of the belt is dominantly comprised of a thick, monotonous succession of Carboniferous and Permian turbidites that are metamorphosed to lower-greenschist facies. Granodiorite and granite plutons have intruded the core of the belt and are associated with extensive gold-bearing quartz vein systems. Figure 1.2 presents the regional geology of the area.

Figure 1.2 Regional Geology Map



Source: Miller et al. (2002)

1.2.2 PROPERTY GEOLOGY

The mineral occurrences on the Property are located in the interfluvium of the Nuektame and Arkachan rivers, and range from the mid-channel of the Muhalkan River to the mouth of the Mysovoi Stream. The mineral deposits are confined to the eastern wing of the Kuranakhsky anticlinorium and are situated within the contours of the Endybal anticline.

Higher order asymmetric anticlinal and synclinal folds that are 2 to 20 km in length complicate the hinge portion of the Endybal anticline. The Mukhalkansky anticline with a north-northwest strike (340°) and the Mangazeisky syncline, which are adjacent on the western side, complicate the eastern wing of the Endybal anticline.

The dip of the rocks of the Endybal anticline in the area of the Mangazeisky deposits averages 45°.

Two north-south zones of faulting are distinguished. The most important is the Nuektaminsky shear zone, which limits the expansion of mineralisation to the east.

The movement along the Nuektaminsky fault is left-lateral. The next is the Granichny shear zone with right-lateral movement. The Granichny fault is a splay off the Nuektaminsky fault and together they form a V-shape, which represents a zone of tension. The Granichny shear zone hosts two vertical deposits (Semenovsky and Granichny) that cross-cut the stratigraphy.

The silver mineralisation is epigenetic. This is particularly clear at the Nizhny Endybal deposit, where the mineralised strata-bound zones exhibit structural deformation. The strata-bound veins and cross-cutting fracture systems in the region are associated with shearing. This is reflected in the common occurrence of parallel layers of slip planes along the boundaries of the sandstone beds and selvages of strata-bound veins, such as Mikhailovsky, Olgina, Vasilievsky and Anglesite-Cerussite. The structural analysis of joints in the mineralised rocks shows the ubiquitous existence of overthrusting dislocations (Kostin et al. 1997).

The Endybal diatreme and quartz porphyry dykes postdate the overthrust event. The geological studies by Yangeologia and by A.V. Kostin et al. have led to the following conclusions regarding the sequence of events:

1. mineralised layers of sandstone containing sulphide mineralisation
2. structural deformation
3. Endybal diatreme.

1.2.3 MINERALISATION

The Property hosts at least four different types of mineralisation:

- Strata-bound silver-bearing, quartz-carbonate-sulphide structures with average grades greater than 900 g/t silver, with lead and zinc by-products. These silver bearing structures were mapped and sampled over an area of 65 km². Examples of this are the Vasilievsky-Anglesite-Cerussite and Olgina-Mikhailovsky veins within the Mangazeisky zone.
- Thicker linear-type stockwork areas with carbonate-silver sulphosalt mineralisation. Examples of this occur in the Strezhevoy and Nizhny Endybal Zones.
- Narrow, steep dipping veins such as Vertikalny that cross-cut stratigraphy and feature grades in excess of 1,000 g/t silver over widths ranging from several centimetres to several metres. Vertikalny and possibly Zabyty and Kis-Kuel are examples of this style of mineralisation.
- A porphyry area associated with quartz, quartz-carbonate and quartz-sulphide veins and veinlets, hosted by extrusive rhyolite porphyry. Porfirovy is an example of this.

1.3 EXPLORATION

Table 1.4 provides a summary of the exploration completed since 2007.

Early exploration was focused upon the narrow, strata-bound silver mineralisation of the Vasilievsky and Mikhailovsky targets, with more of a focus on Vertikalny from 2007 onwards. Latterly, the exploration has incorporated the evaluation of the thicker, linear, stockworks at Sterzhnevoy and Nizhny Endybal.

Table 1.4 Historic Exploration Activities at the Property

Year	Exploration Activities	Targets Explored
2004	No exploration was undertaken during 2004, other than a minor drilling campaign.	-
2005	9,641 m ³ of trenching.	Vasilievsky, Mikhailovsky, Sterzhnevoy, Nizhny Endybal
2006	4,843 m ³ of trenching and mapping.	Nizhny Endybal, Vostochny, Sterzhnevoy, Vertikalny
2007	8,000 m ³ of trenching.	Vertikalny
2008	22,633 m ³ of trenching. Mapping, lithochemical sampling, direct current induced polarisation/magnetotellurics and magnetic anomaly geophysical surveys.	Vertikalny, Zabyty, Zabyty-2, Kis-Kuel, Orogondia
2009	15,067 m ³ of trenching. Lithochemical sampling, magnetic anomaly mapping.	Nizhny Endybal, Vertikalny, Kis-Kuel, Mukhalkan-Burny
2010	No exploration was undertaken during 2010.	-
2011 to 2012	1,600 m ³ of trenching.	Nizhny Endybal
2013	11,200 m ³ of trenching	Mangazeisky North
2014	11,148 m ³ of trenching	Vertikalny, Mangazeisky, Porfirovoy, Sterzhnevoy.

Tetra Tech is of the opinion that the exploration has generally been conducted using methods and procedures that are consistent with recognised industry best practices, and that the results are appropriate for use in resource estimation.

1.4 DRILLING

Details about the drilling campaigns completed prior to 2010 have been disclosed fully in the 2011 preliminary economic assessment (PEA) (Tetra Tech 2011). The 2011 to 2012 drilling campaigns have been disclosed fully in the 2013 Technical Report (Tetra Tech 2013). Both reports are filed under Silver Bear's profile on the Canadian Security Administrators' System for Electronic Document Analysis and Retrieval (SEDAR). Table 1.5 provides a summary of the drilling completed between 2004 and 2014. The 2013 to 2014 drilling campaigns are described fully in Section 10.0.

Table 1.5 Summary of Historical Drilling on the Property

Year	Metres Drilled	Targets Drilled
2004	151.2	Vertikalny
2005	3,370.0	Vasilievsky, Mikhailovsky, Nizhny Endybal, Strezhevoy
2006	732.0	Vertikalny
2007	3,100.0	Vertikalny
2008	11,663.0	Vertikalny, Semenovskiy, Vasilievskiy
2009	12,373.0	Vertikalny
2010	-	No drilling undertaken
2011 to 2012	13,445.0	Vertikalny, Nizhny Endybal
2013 to 2014	6,630.0	Vertikalny

Tetra Tech is of the opinion that the drilling has been generally completed using methods and procedures that are consistent with recognised industry practices and that the data is adequate for resource estimation.

1.5 MINERAL PROCESSING AND METALLURGICAL TESTING

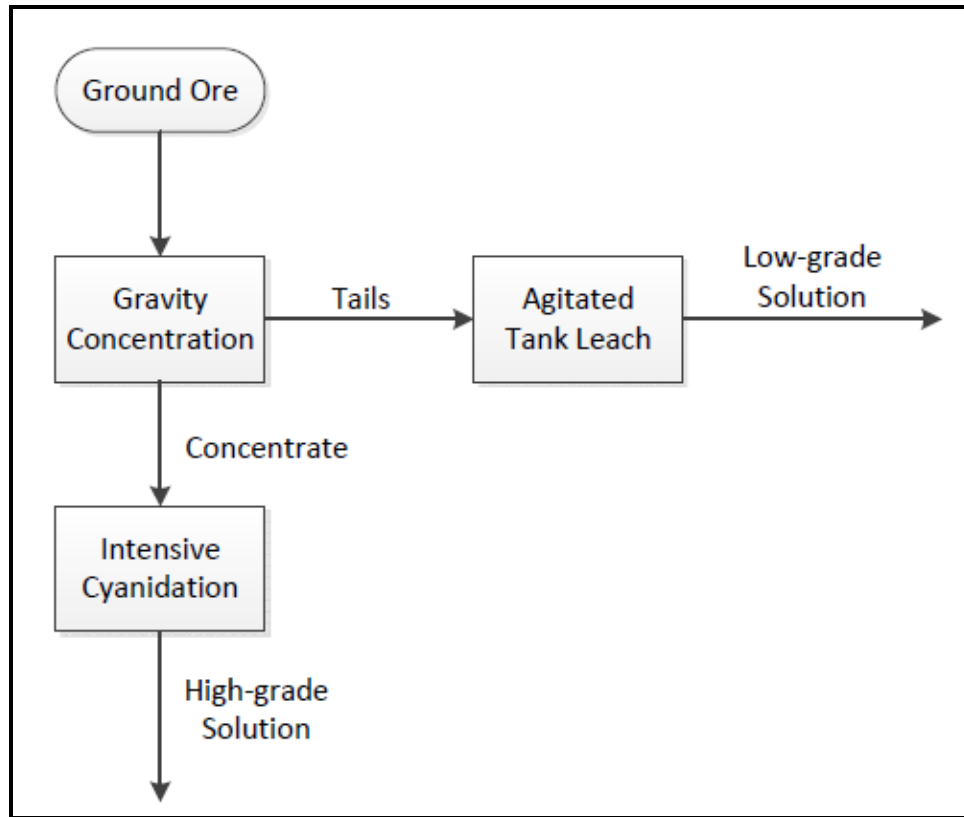
A review of the historical metallurgical test work data by Tetra Tech confirmed that silver is by far the most significant economic component of the mineralisation. The following observations were also made:

- The flotation test work indicates that the zinc concentrate produced did not achieve a saleable zinc grade.
- Lead concentrate would require leaching to recover the silver in doré form, prior to shipment off site, due to the isolated plant location and difficult transport logistics, thereby reducing the value of the lead concentrate.

As part of the ongoing feasibility study, additional metallurgical test work was completed at SGS Vostok Limited (SGS Vostok) (Chita, Russia). SGS Vostok tested a composite sample that comprised samples collected from dedicated metallurgical drillholes within the Central Zone of the mineralization.

Tetra Tech analysed all the metallurgical test work results, with the objective of identifying the optimal process flowsheet. The metallurgical studies indicate that the mineralization is amenable to gravity concentration and cyanidation, and can be efficiently processed using a gravity and agitated tank leach based flowsheet (Figure 1.3).

Figure 1.3 Conceptual Silver Extraction Block Flow Diagram



Based on the feasibility study metallurgical test work results, the recovery for silver for the proposed flowsheet (Figure 1.3) is estimated at 88.9%.

1.6 MINERAL RESOURCE ESTIMATES

Tetra Tech completed a new mineral resource estimate for the Vertikalny deposit, with an effective date of 10 February 2015. The most recent data included in the estimate was received on 15 December 2014. The Mineral Resources have been estimated by Mr. Robert Davies, B.Sc., EurGeol, CGeol, an independent QP as defined by NI 43-101.

This section also presents a restatement of the Mineral Resource for the Nizhny Endybal deposit, situated approximately 2.5 km east of the Vertikalny deposit. The effective date of the Nizhny Endybal Mineral Resource is 11 September 2012. Mr. P. Gribble, FIMMM, C.Eng, former Senior Geologist at Tetra Tech is the independent QP who originally prepared the Nizhny Endybal Mineral Resource. Mr. Davies has reviewed and verified the Nizhny Endybal Mineral Resource as current.

Further details of the Nizhny Endybal Mineral Resource, estimated by Tetra Tech in 2012, are publicly available and filed under the Silver Bear profile on SEDAR.

A summary of the current Mineral Resources for the Property are presented in Table 1.6.

Table 1.6 Summary of Mineral Resources for the Mangazeisky Property

Zone	Indicated Resource			Inferred Resource		
	Tonnes (kt)	Ag Grade (g/t)	Contained Metal Ag (koz)	Tonnes (kt)	Ag Grade (g/t)	Contained Metal Ag (koz)
Vertikalny Central	800	909	23,400	680	615	13,400
Vertikalny Northwest	-	-	-	310	458	4,600
Nizhny Endybal	-	-	-	3,200	133	13,500
Total	800	909	23,400	4,190	235	31,500

1.6.1 SUMMARY OF ESTIMATION TECHNIQUES

VERTIKALNY MINERAL RESOURCES

The silver grades for the Vertikalny Central and Northwest deposits were estimated using ordinary kriging (OK) interpolation methodology. Density for the Central Zone was estimated using inverse distance weighting squared (IDW²), while density was assigned for the Northwest Zone.

Block size, discretisation, search size, and sample numbers were optimised using quantitative kriging neighbourhood analysis (QKNA).

Tetra Tech adopted the definition of Mineral Resources as outlined within the CIM Definition Standards on Mineral Resources and Mineral Reserves (CIM 2010) in order to classify the resources.

In order to demonstrate that the deposit has reasonable prospects for economic extraction, a cut-off grade of 335 g/t has been applied for the Vertikalny deposit, based upon the following assumptions:

- spot metal price of US\$17.00/oz silver, effective 9 February 2015
- mining cost of US\$75.00/t
- processing cost of US\$50.00/t
- general and administration costs of US\$40.00/t
- overall silver recovery of 90%.

NIZHNY ENDYBAL MINERAL RESOURCES

The silver grades for the Nizhny Endybal deposit were estimated using OK interpolation methodology. Density was assigned as the mean of the mineralised sample density test results.

Block size, discretisation, search size, and sample numbers were optimised using QKNA.

The Nizhny Endybal Mineral Resource was reported at a 75 g/t cut-off grade based upon the following assumptions:

- open pit mining
- silver price of US\$22.00/oz
- assumed total operating cost of US\$50.00/t.

1.7 INTERPRETATION AND CONCLUSIONS

All of the exploration data for the Vertikalny deposit has been reviewed and audited. In the opinion of Tetra Tech, the exploration work carried out by Silver Bear has generally been completed using procedures that are consistent with recognised industry best practices, and the data is suitable for resource estimation.

The 2013/2014 infill drilling campaigns completed on the Vertikalny deposits have provided further information in relation to the short-range variability of the grade distribution, and have improved the confidence in the grade continuity.

In Tetra Tech's opinion, the established understanding of the geological and grade continuity is sufficient to support the classification of the Mineral Resources as Inferred and Indicated, as presented in this report.

Tetra Tech is not aware of any material risks associated with the Project. As part of the feasibility study currently underway, detailed technical matters are being investigated and mitigated. The feasibility study is anticipated to be completed in Q4 2015.

1.8 RECOMMENDATIONS

1.8.1 INFILL DRILLING

Infill drilling is recommended in areas where there is presently insufficient information to reliably predict the grade of mineralisation. Infill drilling will provide additional understanding of the variability of mineralisation between drillholes.

Tetra Tech has reviewed various parameters to optimize the location of planned intercepts. These include:

- distance to nearest sample
- kriging efficiency
- slope of regression
- variographic parameters.

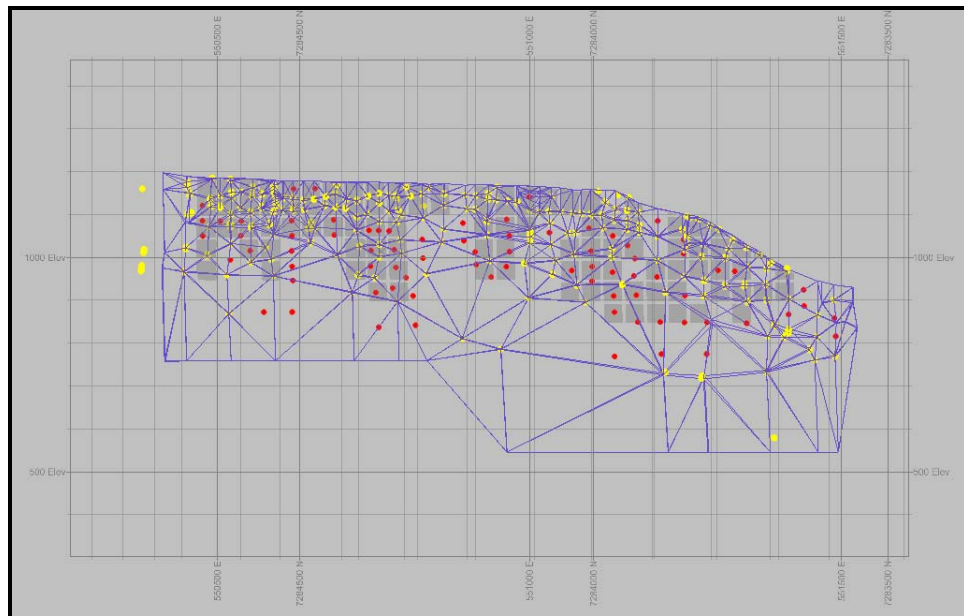
Tetra Tech also utilised the results of the preliminary mining options study completed by SRK Consulting to define the proposed drilling locations. The recommendations should be reviewed and updated following the completion of the mining study for the feasibility study.

VERTIKALNY

At the time of writing, a total of 79 drill holes for 16,150 m are planned to infill the Vertikalny mineralisation. Drillholes are directed in general within planned stopping outline, but also below the presently known extent of mineralisation and to the east and west of higher-grade lodges where the extent of the mineralisation along strike is poorly understood. Figure 1.4 shows the planned pierce points through the high-grade mineralisation, as well as the location of planned stopping panels.

Scheduling of the drilling will depend on the mining schedule, and should be planned to ensure that the order of drilling matches the order of planned development. Some drillholes will be able to be completed from underground drill stations as footwall mine development progresses.

Figure 1.4 Long Section of the Vertikalny Central Mineralization



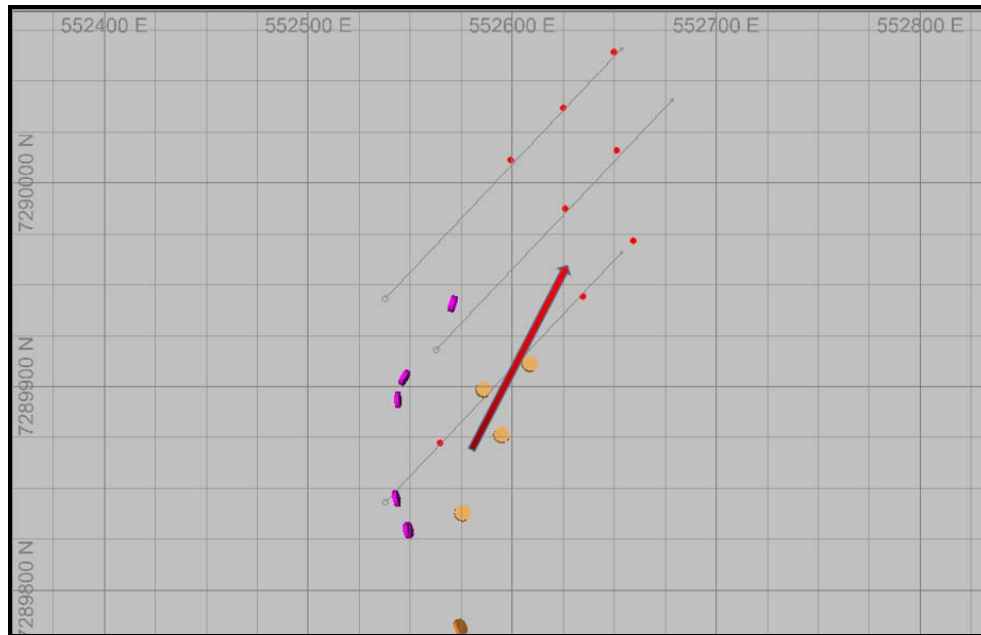
Notes: draft underground stopping areas (grey) high grade wireframe (purple), drillhole intercepts (yellow), planned drilling intercepts (red)

1.8.2 SATELLITE DEPOSITS

MAGNAZEISKY SOUTH

Mineralisation at Magnazeisky South is open to the northeast. A small drilling program of seven short holes is recommended to test the potential for extension in this direction. Eight holes for 500 m are planned to test this area (Figure 1.5).

Figure 1.5 Plan View of Magnazisky South



Note: arrow highlights area open to the northeast

MAGNAZEISKY NORTH

Detail planning for additional drilling at Magnazeisky North should follow the resource estimate that is pending. Tetra Tech estimates that a minimum of 25 drillholes for 2,000 m will be required for the initial phase of infill drilling.

1.8.3 COSTING

The estimated cost for the proposed drill programmes is approximately \$9.1 million. Table 1.7 summarizes the estimated costs for the proposed recommendations.

Table 1.7 Summary of Costs for the Proposed Recommendations

Item	Hole Count	Drill Metres (m)	Indicative Cost (\$)
Database Management	-	-	20,000 (annually)
Infill drilling at Vertikalny	79	16,150	8,075,000
Magnazeisky South	8	400	20,000
Magnazeisky North	25	2,000	1,000,000

2.0 INTRODUCTION

2.1 INTRODUCTION

Silver Bear is a Canadian-registered resource company, based in Toronto, Canada, and is publicly listed on the Toronto Stock Exchange (TSX). Silver Bear is incorporated under the *Business Corporations Act* of the Province of Ontario since 8 April 2004. Silver Bear is engaged in the development of high-grade silver deposits within the Mangazeisky Property.

This technical report and mineral resource estimates covers the Vertikalny and Nizhny Endybal deposits within the Mangazeisky Property, in the Sakha Republic situated in far east Russia.

2.2 TERMS OF REFERENCE

Mr. Graham Hill, Chief Executive Officer for Silver Bear, retained Tetra Tech to estimate a new mineral resource for the Vertikalny silver deposit that lies within Silver Bear's Mangazeisky Licence in Russia. This technical report also discloses the existing mineral resources for the Nizhny Endybal deposit, which also lies within the Property.

This technical report conforms to the standards set out in NI 43-101 Standards of Disclosure for Mineral Projects, and is compliant with Form 43-101F1.

All units of measurement used in this technical report and resource estimate are in metric, unless otherwise stated.

The effective date of the Vertikalny deposit resource estimate is 10 February 2015. The effective date of the Nizhny Endybal deposit resource estimate is 11 September 2012.

2.3 QUALIFIED PERSONS

The qualified persons (QP) for this technical report are summarised in Table 2.1.

Table 2.1 Summary of QPs

Report Section	Company	QP
1.0 Summary	Tetra Tech	Robert Davies, B.Sc. (Hons), CGeol, EurGeol, FGS
2.0 Introduction	Tetra Tech	Robert Davies, B.Sc. (Hons), CGeol, EurGeol, FGS
3.0 Reliance on Other Experts	Tetra Tech	Robert Davies, B.Sc. (Hons), CGeol, EurGeol, FGS
4.0 Property Description and Location	Tetra Tech	Robert Davies, B.Sc. (Hons), CGeol, EurGeol, FGS
5.0 Accessibility, Climate, Local Resources, Infrastructure and Physiography	Tetra Tech	Robert Davies, B.Sc. (Hons), CGeol, EurGeol, FGS
6.0 History	Tetra Tech	Robert Davies, B.Sc. (Hons), CGeol, EurGeol, FGS
7.0 Geological Setting and Mineralisation	Tetra Tech	Robert Davies, B.Sc. (Hons), CGeol, EurGeol, FGS
8.0 Deposit Types	Tetra Tech	Robert Davies, B.Sc. (Hons), CGeol, EurGeol, FGS
9.0 Exploration	Tetra Tech	Robert Davies, B.Sc. (Hons), CGeol, EurGeol, FGS
10.0 Drilling	Tetra Tech	Robert Davies, B.Sc. (Hons), CGeol, EurGeol, FGS
11.0 Sample Preparation, Analyses and Security	Tetra Tech	Robert Davies, B.Sc. (Hons), CGeol, EurGeol, FGS
12.0 Data Verification	Tetra Tech	Robert Davies, B.Sc. (Hons), CGeol, EurGeol, FGS. Paul Daigle, B.Sc (Hons), P.Geo
13.0 Mineral Processing and Metallurgical Testing	Tetra Tech	Arun Vathavooran, Ph.D., C.Eng., MIMMM
14.0 Mineral Resource Estimates	Tetra Tech	Robert Davies, B.Sc. (Hons), CGeol, EurGeol, FGS
15.0 Adjacent Properties	Tetra Tech	Robert Davies, B.Sc. (Hons), CGeol, EurGeol, FGS
16.0 Other Relevant Data	Tetra Tech	Robert Davies, B.Sc. (Hons), CGeol, EurGeol, FGS
17.0 Interpretations and conclusions	Tetra Tech	Robert Davies, B.Sc. (Hons), CGeol, EurGeol, FGS
18.0 Recommendations	Tetra Tech	Robert Davies, B.Sc. (Hons), CGeol, EurGeol, FGS
19.0 References	Tetra Tech	Robert Davies, B.Sc. (Hons), CGeol, EurGeol, FGS
20.0 Certificates of Qualified Person	Tetra Tech	Sign-off by Section

2.4 TETRA TECH QP SITE VISIT

The most recent property inspection to the Vertikalny deposit was completed by Mr. Paul Daigle, P.Geo., a Senior Geologist for Tetra Tech, between 18 and 27 July 2014 for three days. Mr. Daigle also completed a property inspection on Nizhny Endybal between 19 and 23 November. Mr. Daigle is a Professional Geoscientist and QP as defined by NI 43-101.

Mr. Robert Davies, CGeol, EurGeol, a Resource Geologist for Tetra Tech, also conducted a property inspection on the Vertikalny deposit from 25 to 29 November 2013. Mr. Davies is a Chartered Geologist, registered European Geologist, and QP as defined by NI 43-101.

3.0 RELIANCE ON OTHER EXPERTS

Tetra Tech has reviewed and analysed data provided by Silver Bear, its consultants, and previous operators of the Property, and has drawn its own conclusions, augmented by its direct field examination.

While exercising all reasonable diligence in checking, confirming, and testing, Tetra Tech has relied upon Silver Bear's presentation of the data for the Project in formulating its opinion and estimates.

The various agreements, under which Silver Bear holds title to the mineral lands for the Project, have not been reviewed by Tetra Tech, and Tetra Tech offers no opinion as to the validity of the mineral title claimed. Tetra Tech is relying on legal opinions regarding Property title prepared by experts who are not QP's as defined by NI 43-101. A legal title opinion was authored by Ivan A. Trifonov, Managing Partner of Squire, Sanders & Dempsey (Moscow) L.L.C. in Appendix 2 of the 2004 Technical Report by RPA (RPA 2004). A description of the Property and ownership is provided for general information purposes only in Section 4.0.

Tetra Tech is relying entirely on Silver Bear in matters of environmental and legal opinions regarding Property title. Environmental liabilities as outlined in the licence granted by the Federal Subsoil Resources Management Agency (ROSNEDRA) are summarised in Section 4.5. This summary was provided by Silver Bear via email. Tetra Tech offers no opinion on the state of the environment on the Property.

The description of geology, mineralisation and exploration methodology used in this report are based on direct field examination, and on data available in published and unpublished reports supplied by Silver Bear. In turn, Silver Bear has relied on various reports and data supplied by state organisations and others that have previously conducted exploration on the Property. The information provided to Silver Bear was supplied by reputable state organisations and Tetra Tech has no reason to doubt its validity.

With regard to the metallurgical test work, Tetra Tech has reviewed and considered the report and work of the Federal State Unitary Enterprise Central Institute of Science Research and Geological Surveying of Base and Precious Metals (TSNIGRI), and the Federal State Unitary Enterprise State Scientific-Research Institute for Nonferrous Metals (GINTSVETMET). In addition, Tetra Tech has also reviewed the additional metallurgical test work carried out by SGS Vostok (Chita) as part of the feasibility study test work program.

The maps and tables for this report were reproduced or derived from reports written on the Property and supplied to Tetra Tech by Silver Bear. The photographs used in this report were taken by either Mr. Paul Daigle or Mr. Robert Davies during their visits to the site, unless otherwise specified.

4.0 PROPERTY DESCRIPTION AND LOCATION

The Property is defined by the mineral rights to a single mining license, and is 100% held by Prognoz, a private Russian closed-joint stock company based in Yakutsk. Prognoz is a 100% held subsidiary of Silver Bear.

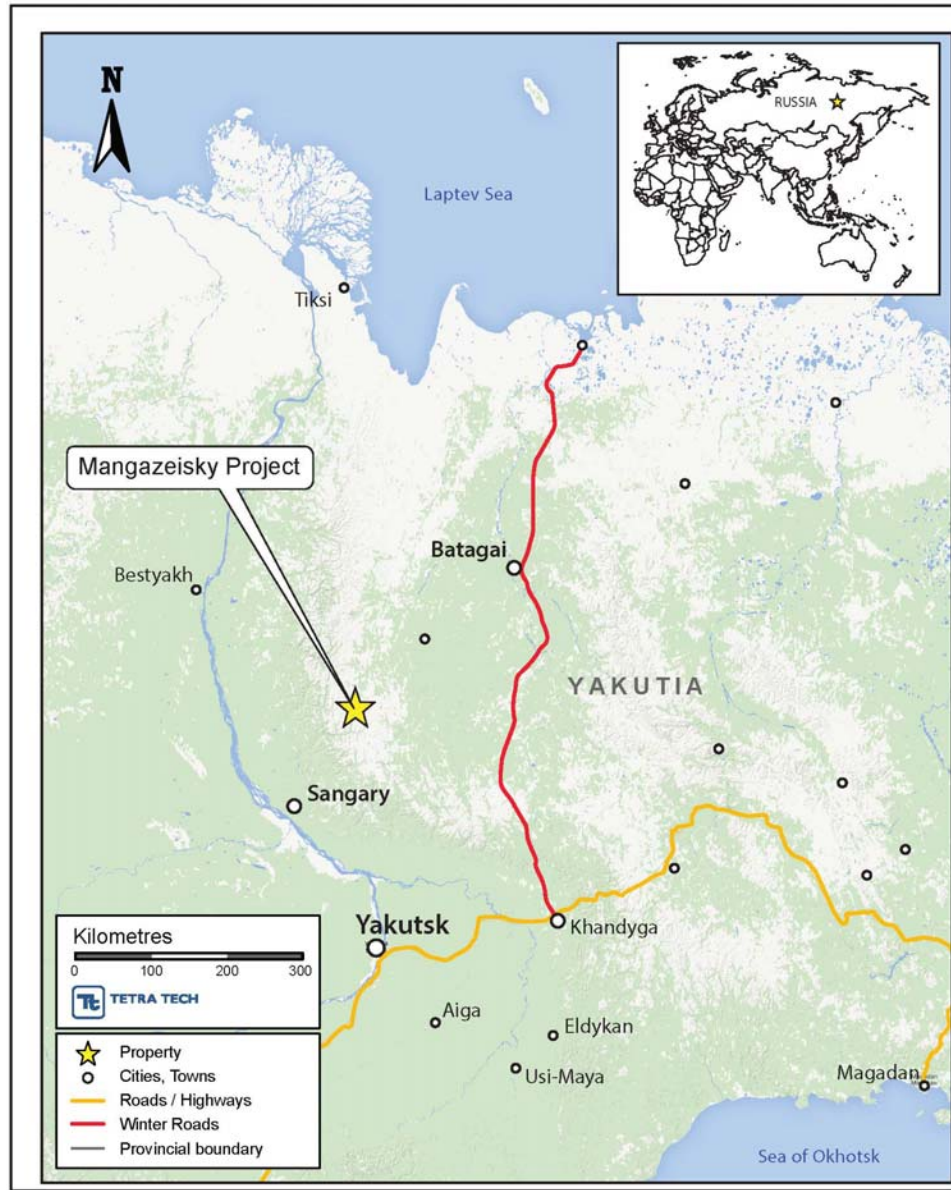
4.1 LOCATION

The Property is located:

- at approximately 65° 40' south and 130° 07' east in central Sakha Republic, Russia
- at approximately 590,960 mE and 7,234,750 mN (Zone 36J; World Geodetic System (WGS) 84)
- in central Sakha Republic
- in the District (or ulus) of Kubyaysky
- approximately 400 km north of Yakutsk, capital city of the Sakha Republic
- approximately 300 km southwest of Batagai in northern Sakha Republic
- approximately 240 km north of Batamai, a river port on right bank of the Lena River
- approximately 230 km north of Sangar, a river port on the right bank of the Lena River, and administrative centre for the Kubyaysky District
- approximately 40 km north of Sebyan Kyuel, the closest community to the Property; the winter road from Batamai to Sebyan Kyuel is 300 km long
- approximately 10 km northwest of Endybal camp and airfield, located at the intersection of the Arkachan and Endybal Rivers
- approximately 2 km west of the Hogan base camp; on the right bank of the Serilenge River
- approximately 10 km northwest of the Arkachan River
- approximately 2 km west of the Serilenge River.

The Property is situated as shown in Figure 4.1.

Figure 4.1 Location Map for the Property



4.2 DESCRIPTION

Silver Bear holds the mineral rights to the Property through its 100% interest in Prognoz. Silver Bear purchased Prognoz in 2004 from the National Resource Company (NRC).

The Property is located in the north of Kobayasky District, in central Sakha Republic, and is comprised of one mining licence within a larger exploration licence. The mining license, number YAKU 03626 BE, covers the entire Vertikalny silver deposit over an area of 13.55 km². The coordinates of the mining licenses are found in Table 4.1.

Table 4.1 Coordinates for the Mining License

Mining License YaKU 03626 BE		
Corner No.	Northing Coordinate	Easting Coordinate
1	65° 41'15.917"	130° 01'55.38"
2	65° 41'41.938"	130° 03'23.15"
3	65° 41'37.066"	130° 04'59.859"
4	65° 41'20.21"	130° 06'27.196"
5	65° 40'08.102"	130° 08'20.361"
6	65° 39'44.803"	130° 08'11.742"
7	65° 39'40.272"	130° 07'17.802"
8	65° 39'46.221"	130° 05'22.19"
9	65° 39'54.675"	130° 03'29.389"
10	65° 40'11.35"	130° 01'57.673"
11	65° 40'46.388"	130° 01'42.001"

The mining license is situated in the central west portion of the Endybal exploration license (also known as the Mangazeisky exploration license), number YaKU 12692 BP, and covers several other exploration targets and silver deposits over an area of 570 km². The coordinates of the exploration licence are found in Table 4.2.

Table 4.2 Coordinates for the Exploration License

Exploration License YaKU 12692 BP		
Corner No.	Northing Coordinate	Easting Coordinate
1	65° 49'35"	130° 00'00"
2	65° 49'35"	130° 19'20"
3	65° 29'00"	130° 22'00"
4	65° 29'00"	130° 00'00"

4.3 HISTORY OF PROPERTY ACQUISITION

On 21 October 2004, Silver Bear completed an acquisition of all of the outstanding shares of Prognoz. Pursuant to the transaction, Silver Bear acquired 100% of the issued and outstanding common shares of Prognoz for RUB 10,000,000 or Cdn\$331,000 and assumed certain bank indebtedness and other liabilities of Prognoz. The parties to the transaction agreed that the value of the exploration licences held by Prognoz closely approximated the indebtedness assumed and accordingly, a value of RUB 20,585,221 or Cdn\$890,310 was attributed to the licences. Tetra Tech is not aware of any liability in the form of royalties or other financial encumbrances, but these may be applicable.

The exploration licence YaKU 12692 BP was granted to Prognoz on 24 September 2004, by the ROSNEDRA, and was valid for an initial term of five years. On 18 February 2009, the exploration licence was extended by ROSNEDRA to 31 December

2011. Another extension was subsequently granted for one year until 31 December 2012. On 27 December 2012, a third extension was granted for four years until 31 December 2016.

The licences give the recipient the right to use the subsoil for the purposes of geological investigation within the licence area, for exploration and appraisal of the gold and silver deposits. The licence area has the status of a “geological allotment” with the preliminary borders outlined and an unlimited licenced depth for investigation. According to the English translations of the exploration licences, there are no specially protected natural territories within the limits of the licence.

In September 2013, Silver Bear received its mining licence YaKU 03626 BE for the Vertikalny deposit. The term of the licence is approximately 20 years (to 2033). The licence requirements include:

- completion of 15,000 m of drilling and 15,000 m³ of trenching by or before December 2017
- initiation of drilling and trenching no later than March 2015
- mine must be operational within the next nine years (2023), inclusive of permitting and report approvals
- mine output must be greater than 180,000 t/a by the year 2023.

A summary of all of the existing licence information is detailed in Table 4.3.

Table 4.3 Property Mineral Licences

Licence Name	Licence ID	Type	Area (km ²)	Issue Date	Expiry Date	Annual Fees (RUB)
Endybal Area (Mangazeisky)	YaKU 12692 BP	Geological Allotment	570.00	28 th September 2004	31 st December 2016	153,900
Vertikalny Deposit	YaKU 03626 BE	Licence to Use Subsoil	13.55	31 st August 2013	1 st September 2033	110,771

4.4 SURFACE RIGHTS

Silver Bear does not hold any surface rights on the Property, but has full access to the Property.

4.5 ENVIRONMENTAL LIABILITIES

According to the licence granted by ROSNEDRA, the main environmental requirements during exploration activities for the exploration licence are as follows:

- observance of the established requirements for protection of the environment and subsoil

- performance of necessary measures to reduce or prevent pollution caused by the execution of the exploratory work
- prevention of water facility pollution and clogging and observance of the regime of water protection zones
- reclamation of land disturbed during exploratory work, restoring it to a state suitable for further use and in compliance with landscape and recreational specifics of the territory
- timely payment of compensation for damages caused to hunting, agriculture, fisheries and forestry
- coordination with and approval by the Administration for Subsoil Use in the Republic of Sakha-Yakutia (YAKUTNEDRA) for the terms and types of work to be carried out within the water protection zones.

5.0 ACCESSIBILITY, CLIMATE, INFRASTRUCTURE, LOCAL RESOURCES AND PHYSIOGRAPHY

The Property is located in the Kobysk district within the Republic of Sakha (Yakutia) of the Russian Federation. Yakutia covers an area of 3.1 million km², makes up one fifth of Russia's landmass, and has a population of approximately 1.0 million people. The region is rich in natural resources and 80% of its industrial production originates from the non-ferrous metals industry (diamonds, gold, tin) and antimony and fossil fuel energy (coal, gas and oil). Over 10% of the available work force of 0.5 million people are involved in mining.

The major population centre for the region of Yakutsk has circa 300,000 inhabitants. Yakutsk is located approximately 400 km south of the Property.

Yakutia recognises the present and long-term predicted demand for mineral resources in the region, and is implementing a strategic plan for the social and economic development of the region ("Scheme of Complex Development of Productive Forces, Transport and Power Industry of the Sakha Republic [Yakutia] by 2020"), which is supported by the Russian Federation Government. It is hoped that the Project will create new transportation corridors, increase export opportunities, and create employment and subsequent population inflow. It is also hoped that the Project will increase national security and assist integration with the Asia-Pacific regions. The majority of the infrastructure improvements will not have a direct impact on the Project especially in its early stages. Opening of supply lines etc. will have a positive impact in terms of supply of consumables and labour.

5.1 ACCESSIBILITY

The Property is only accessible from Yakutsk by air, either by fixed wing aircraft or by helicopter. There is an airstrip on the Property, at the confluence of the Endybal and Arkachan Rivers, approximately 10 km from the base camp. There are several charter companies based in and around Yakutsk for both types of aircraft. A flight by AN-2 is typically two hours.

The Property may also be accessed via Batagai, located approximately 300 km northeast of the Property. There are regular scheduled flights to Batagai as well as aircraft available for charter.

There is also a winter road that is open for several months during the winter for transport of all freight and supplies to the Property.

5.2 CLIMATE

The climate of northeast Russia is Continental subarctic to Tundra Climate zones (Dfd to ET; Köppen climate classification), and is characterized extreme cold dry winters and cool summer seasons. There is no climatic station at the Project site, but data is available from Verhojansk (NOAA Station ID RA24266; 67° 33'N, 133° 23'E, 137 m) and Yakutsk (NOAA Station; ID RA24959; 62° 01'N, 129° 43'E, 101 m).

The annual precipitation averages 200 mm with the majority occurring as rain during the summer months. Average temperatures range from +25°C in July to -40°C in December and January; although during the winter the temperatures can decrease to a low of -65°C for short periods. Snow cover is formed around the end of September and will have usually melted by the second half of May. The thickness of the snow varies from 40 to 50 cm. The rivers are usually ice-bound at the end of September and spring break-up is completed by the end of May. The region experiences light winds throughout the year.

The area has a permafrost layer of 300 to 400 m in thickness, or more.

Exploration activities may take place most of the year, however, the field season typically extends from April/May to September/October.

5.3 INFRASTRUCTURE

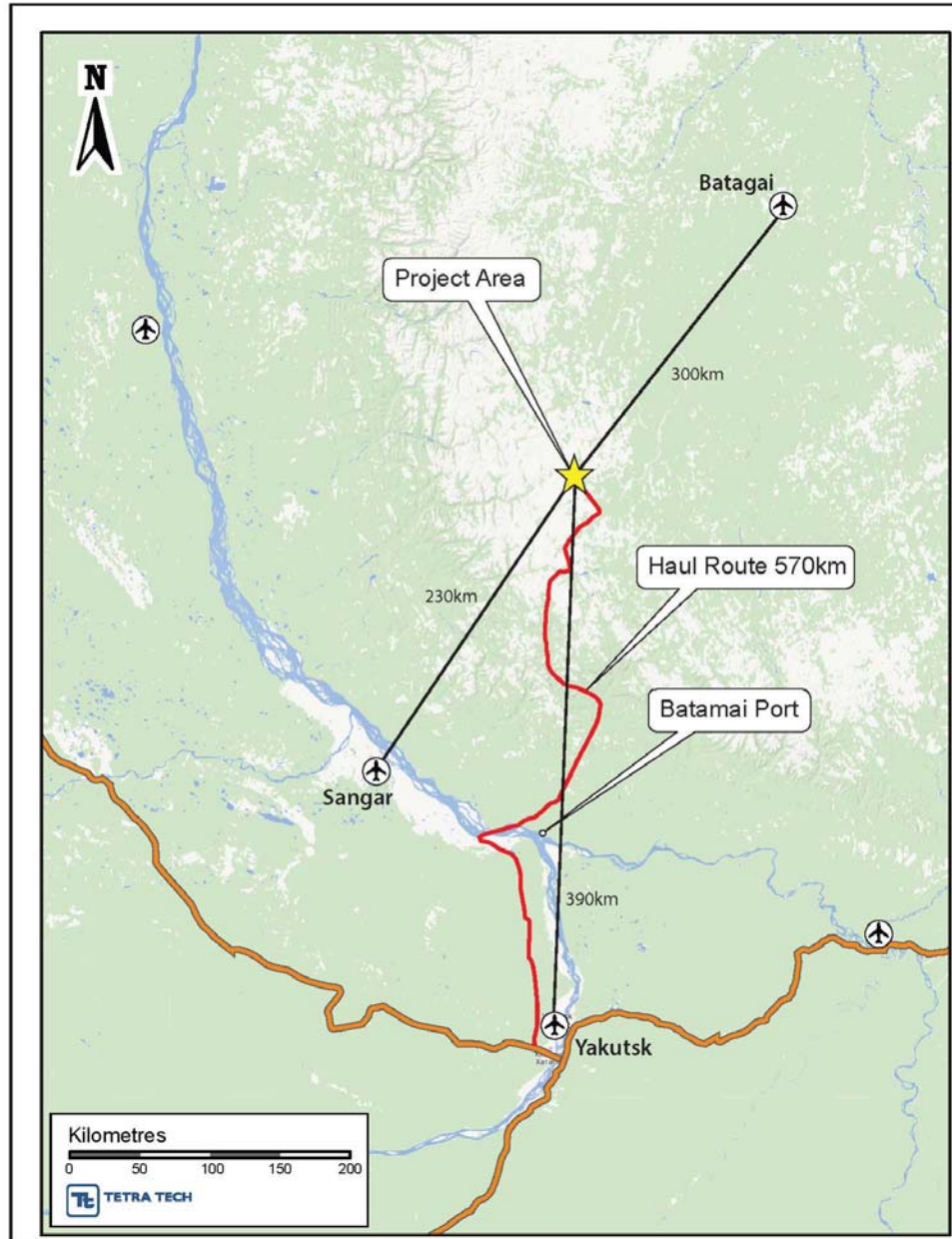
5.3.1 ROADS

Yakutia has a poorly developed road network and only 8% of the republic's territory is accessible all-year-round, the remaining 92% being seasonally accessible. Through rapid expansion it is hoped that the road infrastructure can be developed such that 91.5% of the population will have access to the republican centre and that 47.5% of the republic's territory will be provided by year-round motorways. Currently over 70% of passenger traffic is by air.

The Project area is isolated and can be accessed by a winter road that is usable from mid-January until mid-April, depending on the depth of snow fall. All-terrain vehicles are used for transporting workers and materials to site. The vehicles have a capacity of 7 t and a round trip from Yakutsk to the Property takes six days. Outside of this three month window, the roads are impassable due to surface thaw of the permafrost and subsequent boggy conditions and swollen river crossings.

The haul route currently used is shown in Figure 5.1. From Yakutsk to the Lena River crossing, there is a year-round road (approximately 200 km). The Lena River is navigable from June until September and has up to 3,000 t barge capacity at Batagai, as well as at Sangar. During the winter haulage season, the Lena River may be driven on by trucks up to 20 t. An additional 370 km along the winter road makes a total haulage distance of 570 km.

Figure 5.1 Airports and Current Haul Route



Source: Tetra Tech.

Batagai is the administration centre for the Verkhoyanskiy district with a population of circa 2,000 inhabitants, and is situated approximately 280 km to the northeast of the Property. The closest accommodation is located in this town, which has two hotels and restaurants.

Batagai has a river port, along with aviation and transportation companies, a telegraph, and post office. There is an all-weather dirt road between the villages of Batagai and Tokuma, and from Tokuma there is a link to the Property via a winter road, which is open for only a short period.

The closest village to the Property is Sebyan-Kuel which is located approximately 50 km south. The village of Sangar, located 240 km southwest of the Project, is the administrative centre for the district of Kobyask Ulas, which includes the area encompassed by the Project.

5.3.2 AIR TRANSPORT

During most of the year the Property is accessible primarily by helicopter or light fixed wing aircraft from Yakutsk, Batagai or Sangar. From Yakutsk, the weather may interfere with flight schedules due to the intervening Verkhoyanskiy mountain range and delays of days and occasionally weeks are not uncommon. From Batagai, the helicopter service is more frequent, but delays due to weather conditions may occur. At the Mangazeisky exploration camp there is a helicopter pad, along with a small airstrip upon which to land small planes. The airstrip was extended during 2009 to 800 m and there is the possibility to extend further to around 1,200 m.

Currently AN-2 and AN-3 fixed wing aircraft are being used for small loads (800 to 900 kg); MI-8 MTV and MI-26 helicopters are available for heavier loads (up to 1,800 kg).

5.3.3 RAIL AND PORTS

The Berkakit-Tommot-Yakutsk rail link is reportedly near completion. The rail head will be on the east side of the River Lena, it is not known if a bridge is planned. This spur will link Yakutsk to the Trans-Siberian, Amur-Yakutia Railroad and the Northern Sea Route. Journey times will be significantly reduced.

Further rail links are planned that will eventually connect Yakutsk to Magadan and the Sea of Okhotsk.

The River Lena is navigable from April until late September. The river ports of Yakutsk, Batamai and Sangar may be used to reduce the haulage distance to site by approximately 200 km.

5.3.4 POWER

There is no access to the main power grid on the Property. The Kobyask district is located in the decentralised power supply zone, and has a power generating capacity of 16 MW coming from 12 diesel generating sites. The nearest power generator set to the Project site is at Sebyan-Kuel (375 kW).

The main power supply company for Yakutia is Sakha Energy. The current power supply system incorporates three isolated power networks; the southern, western and eastern regions and a decentralised region. Power is generated by both thermal and hydroelectric methods in the main regions. The primary source of electrical power in the decentralised region is diesel generation and alternative sources of energy such as wind power are being introduced.

By 2020, the electrical generating capacity of Yakutia will be supplemented with a further 8,500 MW from 7 new power stations. The distribution network will be

expanded to join the current isolated regions and connect to the unified power grid of Central and Western Russia.

5.4 LOCAL RESOURCES

The Property is relatively isolated with limited local resources. The base camp, Hogan Camp, is comprised of one to two room cabins, huts and accommodation containers. There are several permanent structures for kitchen, bath and offices. There are also buildings for core logging and sampling, sample preparation and sample storage as well as sheltered core box storage.

The use of surface water and water derived from the first level of underground exploration drifting requires no further permitting, provided there will be no damage to the environment. The main water source is the Arkachan River, located 10 km from the Project. During the summer, additional water can be obtained from the Endybal, Sirelendge, Fedor-Yuryage and Mangazeisky creeks which flow through the licence area.

5.5 PHYSIOGRAPHY

The Property lies in a mountainous region with elevations ranging from 800 to 1,400 masl. The main ridges have steep slopes (25 to 30° and rounded crests that are 200 to 500 m above the valley floors).

The vegetation surrounding the Property is composed of primarily aspen, birch and fir trees in the lower parts of the valleys with generally only grass and wildflowers at higher elevations. There are also widespread lichens and mosses. The region is well known for species such as bear, ermine, wolverine, fox, deer, elk, squirrel and wolf. There is an abundance of fresh water fish in the streams and lakes, including grayling, lenok, pickerel, taimen and perch.

6.0 HISTORY

6.1 EXPLORATION HISTORY

6.1.1 GENERAL EXPLORATION HISTORY TO 2004

Discovery of the mineralisation within the Property is attributed to the Russian Cossacks in 1764. Intermittent exploration by individuals continued until the formation of the Soviet Union in 1917. Upon nationalisation of all assets, exploration and mining became the responsibility of various government departments or agencies. Sporadic exploration was then undertaken during the 1930s and 1940s.

During 1952 and 1953, work focused on two previously identified showings identified as the Mikhailovsky and Kuzminsky zones, which are located 7.5 km and 10 km to the north of Vertikalny, respectively (Figure 7.4 presents a map of the explored mineralisation within the licence area). This work included geological mapping (1:50,000), trenching with systematic mapping and sampling, and the establishment of two short adits (32 m) beneath the trenches. Work also included a topographic survey (1:2,000, 3 km²) and an induced polarisation survey (1:5,000, 1.7 km²). By 1960, the exploration work completed in the licence area had identified more than 160 anomalies, within a north-south trend up to 20 km in length. This trend is 2 km wide in the north (Nuektame River) and up to 4.5 to 5.0 km wide in the south (Endybal River).

In 1989, systematic prospecting and exploration resumed, and has continued to this day.

From 1991 to 2003 JSC Yangeologia (Yangeologia) completed 151,452 m³ of trenching, 10.2 line km of magnetic surveys, detailed geological mapping, soil geochemical surveys, and 10 diamond drillholes totalling 1,303 m. This exploration work covered more than 15 principal vein systems.

From 1989, exploration was primarily located within the Vasilievsky, Sterznhevoy, and Nizhne-Endybalsky mineralised zones, bringing the total number of discretely mineralised structures containing potentially economic grades to more than 30.

Figure 6.1 shows an example of a historical trench on the Property.

Prognoz acquired the Mangazeisky exploration licence in September 2004. On 21 October 2004, Silver Bear acquired 100% of Prognoz by purchasing the company from NRC.

Figure 6.1 Historical Trenches on the Property; Porphyrovy Zone



Source: Silver Bear

6.1.2 METALLURGICAL TEST WORK AND RECOVERABILITY

Initial metallurgical results were summarised in a report by Western Services (2004). The “Western Services Report” describes metallurgical test work that was conducted on two samples from the Property. One sample, from the Vasilievsky vein, was composed of un-oxidised primary silver mineralisation, and contained minor components of lead, zinc, and copper along with minor stibnite. The silver was primarily concentrated within sulphosalts and present as native silver.

Single step flotation tests resulted in recovering 95% of the contained silver into a concentrate. The concentrate grade was 48 kg/t silver. Cyanidation of the flotation product recovered 99.1% silver from the concentrate. The total recovery was projected to be in the order of 94% for the material contained in the southern block of Vasilievsky.

A gravitational recovery circuit was also investigated, in which 57% silver was recovered into a concentrate with an average grade of 20.15 kg/t silver. Cyanidation of the gravity concentrate recovered 99.2% silver from the concentrate. The total recovery for this process option was 57%.

The second metallurgical sample collected was from the silver-lead Granichny mineralised zone. It consisted of partially oxidised mineralisation composed mainly of galena, sphalerite and anglesite (0.1 to 2.0 to 3.0 mm in size). The silver occurred as freibergite, pyrargyrite and argentite (0.02 to 0.50 mm in size) as well as extremely fine-grained native silver. The second sample weighed 17.1 kg with an average grade of 320 g/t silver, 12% lead, and 1.4% zinc.

Based on the metallurgical test work, a single stage flotation circuit recovered 80.9% lead and 89.2% silver into a concentrate. Cyanidation results for the concentrate were not reported.

In 2008, Silver Bear collected two bulk samples from the Vertikalny vein. The samples were collected from the mineralisation intersected by surface trenching. The samples were submitted to TSNIGRI for metallurgical analysis. The results of this work are described in the 2009 technical report (Tetra Tech 2009) and reproduced in Section 13.0 for convenience.

6.2 HISTORICAL RESOURCE ESTIMATES

6.2.1 HISTORICAL NON-COMPLIANT RESOURCE ESTIMATES

The Property has historical reserve and resource estimates on numerous deposits prepared according to the Russian classification system. Further clarification of the Russian classification system can be found in “Ministry of Natural Resources of the Russian Federation Order of 11th December 2006 № 278, Classification Approval and Predicted Resources Solid Minerals”, available at http://www.gkz-rf.ru/index.php?option=com_content&view=article&id=157:classtpi&catid=55:docstpi&Itemid=77.

The historical reserve estimate was compiled by Yangeologia in 2000 and is based entirely on chip samples from within trenches and outcrop exposures within the river banks. Most of the silver assays were established using the gamma-activation method with external control by fire assay. Lead, zinc, tin, antimony and copper were determined by using the x-ray radiometric method. The reported methodology (Young 2004) is outlined in the following paragraphs.

An average silver composite grade within each trench was calculated using a length weighted averaging for the intervals assaying in excess of 150 g/t silver.

The composited trench results were plotted in plan view, and the limits of the mineralisation within and between the trenches were linked together. Based on the trenches contained within the mineralised intercept outline, an average mineralised thickness was determined. The average contained grade of the mineralisation was calculated for all mineralised trenches and was also completed on a length weighted basis.

Vertical longitudinal projections were then constructed for each zone. The projection distance downward was 100 m below the surface for almost all of the mineralised zones. The depth of the projected trench values from the surface was based on the methodologies employed at the nearby Prognoz silver project, which has similar drill results as well as a similar geological genesis, mineralisation type and overall character.

The projected area was multiplied by the weighted average thickness to estimate a mineralised volume. This volume was multiplied by one of several specific gravity values, which were established from 56 samples collected from the major

mineralised zones. These specific gravity values were determined by the Yakutsk Nuclear Physics Laboratory in 1992.

The tonnage, average metal grades and thickness for all discrete mineralised zones or subzones were then summarised into a tabular format for the final reporting of the estimated reserves. This reserve contained the mineralisation located nearest to the surface and was classified as a P1 “reserve” according to the Russian reserve classification system. This classification was selected as there was very little sub-surface sampling (drilling or underground exploration) available to establish the down dip continuity of the mineralisation.

The second portion of the reserve estimate was then compiled and is referred to as a P2 “reserve” class. This was derived by projecting the mineralisation approximately another 100 m below the P1 “reserve” lower datum limit. Typically this resulted in a doubling of the total “reserve” tonnage over that represented by the P1 “reserves” Using the procedures noted above.

A total of 36 mineralised structures have been identified as including P1 and/or P2 Russian classified “reserves”. Table 6.1 summarises the distribution of the historical Russian “reserves” by mineralised zone with the top 15 zones reported individually and the remaining zones combined.

Table 6.1 Summary of the Historical Russian “Reserves” by Mineralised Zone for the Property

Mineralised Zone	Tonnes (kt)	Horizontal Width (m)	Average Grade				Contained Metal			
			Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Ag (t)	Au (t)	Pb (t)	Zn (t)
Vasilievsky	9,076	2.00	1,944	-	7.89	0.31	17,646	-	716,049	28,265
Sterznhevoy	153	0.90	2,652	0.80	0.31	0.10	405	0.12	473	153
Mikhailovsky	233	0.45	2,384	-	24.64	1.19	555	-	57,345	2,769
Kuzminsky	61	0.22	1,492	-	13.53	0.47	91	-	8,285	286
Burnoe	268	0.67	2,756	-	30.10	1.00	739	-	80,668	2,680
Mukhalkansky	1,048	0.00	1,509	-	19.58	1.05	1,581	-	205,205	11,039
Semenovsky	503	0.6	2,278	-	24.00	1.20	1,145	-	120,600	6,030
Zabyty	484	0.61	1,299	-	14.72	6.45	629	-	71,228	31,202
Granichny	209	1.25	954	-	11.02	1.38	200	-	23,073	2,889
Vostochny	80	0.95	1,272	-	12.80	0.27	101	-	10,184	215
Nizhny Endybal	2,020	3.00	874	-	3.06	1.38	1,766	-	61,868	27,897
Privet	115	1.28	994	0.50	4.00	0.83	114	0.49	4,608	956
Mysovoe	194	0.29	2,435	-	36.08	0.70	472	-	70,000	1,358
Bezmyanny	661	0.76	1,965	-	0.51	0.17	1,300	-	3,367	1,143
Vertikalny	322	1.10	1,529	-	5.90	6.70	493	-	18,977	21,550
Olgina	121	0.62	2,640	-	1.65	0.68	318	-	1,988	817
All Other Mineralisation	1,216	1.00	2,281	0.15	15.20	1.60	2,774	0.22	184,840	19,457
Total/ Weighted Average	16,764	-	1,809	0.24	9.78	0.95	30,329	1	1,638,758	158,706

Source: Young (2004).

Table 6.2 summarises the historical Russian “reserves” by category according to the Russian “reserve” classification system.

Table 6.2 Summary of the Historical Russian P1 and P2 “Reserves” for the Property

Russian Reserve Category	kt	Average Width (m)	Average Grade			Contained Metal		
			Ag (g/t)	Pb (%)	Zn (%)	Ag (t)	Pb (t)	Zn (t)
Total P1 Reserves	7,881	1.34	1,717	8.28	0.80	13,529	652,524	62,707
Total P2 Reserves	8,883	0.93	1,891	11.10	1.08	16,799	986,233	95,999
Total	16,764	1.09	1,809	9.78	0.95	30,328	1,638,757	158,706

Note: Young (2004).

All “P reserves” calculated in 2000 were reviewed by Yangeologia a federal geological agency within Russia.

Historical resources have also been estimated for the Property using the Russian classification system (see Table 6.3).

Table 6.3 Historical Resources for the Property

Mineralised Zone	Russian Category	Contained Ag (Moz)	Au Grade (g/t)
Vertikalny	C1	14.17	729
Vertikalny	C2	22.72	588
Mangazeisky North	C2	10.86	1,656

The C1 and C2 resources are based on a Russian TEO report (Russian prefeasibility study) of December 2011, by Oreall Engineering and confirmed by Russian State Authority GKZ in Protocol document No. 2754 (GKZ ROSNEDRA) of 13th April 2012.

The cut-off grade used for the C1 and C2 resources was 75 g/t Ag. Based on protocol document No. 2754, Silver Bear received its Certificate of First Discovery from ROSNEDRA on 2 August 2012. The C2 Resource (Mangazeisky North) was based on a 2007 Yangeologia annual property report filing.

The historical Russian reserve and resource estimates do not conform to the Canadian Institute for Mining, Metallurgy and Petroleum (CIM) standards and definitions for resource estimates. A QP has not carried out sufficient work to verify the historical estimates as current mineral reserves and resources and therefore, Silver Bear is treating the numbers as historical only.

6.2.2 HISTORIC NI 43-101 COMPLIANT RESOURCE ESTIMATES

In March 2009, Tetra Tech published an initial NI 43-101 resource estimate for the Vertikalny structure that was later revised in December 2009. The resource was further updated in the September 2011 PEA (Tetra Tech 2011).

6.3 HISTORICAL PRODUCTION

There has been no historical production on the Property. Due to the remote location and lack of infrastructure there has been very little mining in this region.

7.0 GEOLOGICAL SETTING AND MINERALIZATION

7.1 REGIONAL GEOLOGY

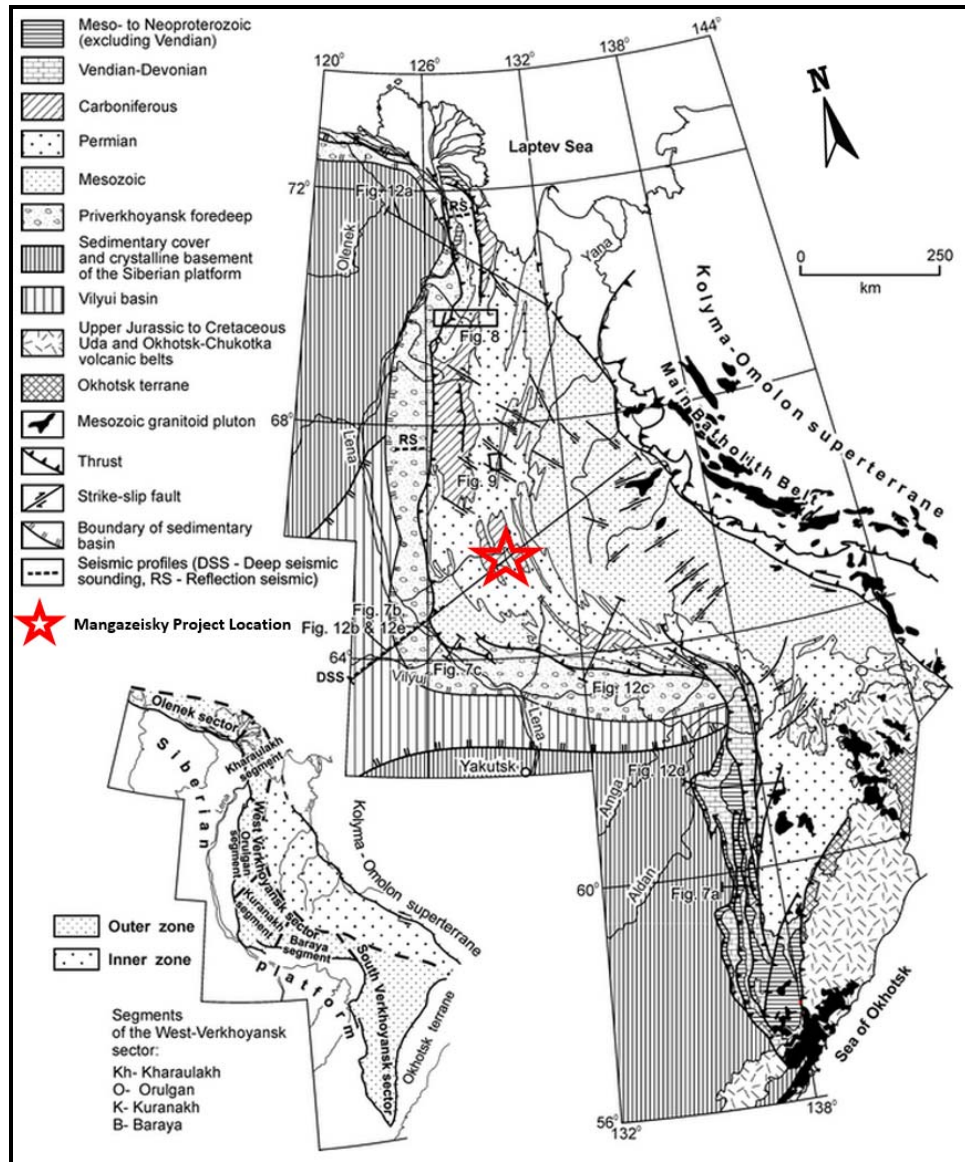
The Property is located within the Verkhoyansk mobile belt of northeastern Yakutia. The fold-and-thrust belt forms part of a major orogenic system separating the Siberian North Asian Craton to the west from the immense expanse of accreted terranes that form most of the Russian far east.

The belt extends for 2,000 km from the Laptev Sea to the Sea of Okhotsk. It is comprised of a greater than 7 km thick sequence of Late Precambrian to Triassic rocks deposited along the Palaeo-Pacific margin of the Siberian Craton, which developed because of rifting events during the Late Precambrian period and again during the Late Devonian to Early Mississippian periods.

Deformation during the Late Jurassic to Early Cretaceous occurred with low-grade metamorphism in the internal parts of the belt and the emplacement of high-level granitic bodies. Strike-slip faulting occurred during the Tertiary period.

The central part of the belt is dominantly comprised of a thick, monotonous succession of Carboniferous and Permian turbidites that are metamorphosed to lower-greenschist facies. Granodiorite and granite plutons have intruded the core of the belt and are associated with extensive gold-bearing quartz vein systems.

Figure 7.1 Regional Geology of the Property



Source: Miller et al. (2002)

7.2 PROPERTY GEOLOGY

The mineral occurrences on the Property are located in the interfluvium of the Nuektame and Arkachan rivers and ranges from the mid-channel of the Muhalkan River to the mouth of the Mysovoi Stream. The mineral deposits are confined to the eastern wing of the Kuranakhsy anticlinorium and are situated within the contours of the Endybal anticline.

Higher order asymmetric anticlinal and synclinal folds that are 2 to 20 km in length complicate the hinge portion of the Endybal anticline. The Mukhalkansky anticline with a north-northwest strike (340°) and the Mangazeisky syncline, which are

adjacent on the western side, complicate the eastern wing of the Endybal anticline. The dip of the rocks of the Endybal anticline in the area of the Mangazeisky deposits averages 45°.

Two north-south zones of faulting are distinguished. The most important is the Nuektaminsky shear zone which limits the expansion of mineralisation to the east.

The movement along the Nuektaminsky fault is left-lateral. The next is the Granichny shear zone with right-lateral movement. The Granichny fault is a splay off the Nuektaminsky fault and together they form a V-shape, which represents a zone of tension. The Granichny shear zone hosts two vertical deposits (Semenovsky and Granichny) that cross-cut the stratigraphy.

The silver mineralisation is epigenetic. This is particularly clear at the Nizhny Endybal deposit, where the mineralised strata-bound zones exhibit structural deformation. The strata-bound veins and cross-cutting fracture systems in the region are associated with shearing. This is reflected in the common occurrence of parallel layers of slip planes along the boundaries of the sandstone beds and selvages of strata-bound veins, such as Mikhailovsky, Olgina, Vasilievsky and Anglesite-Cerussite. The structural analysis of joints in the mineralised rocks shows the ubiquitous existence of overthrusting dislocations (Kostin et al. 1997).

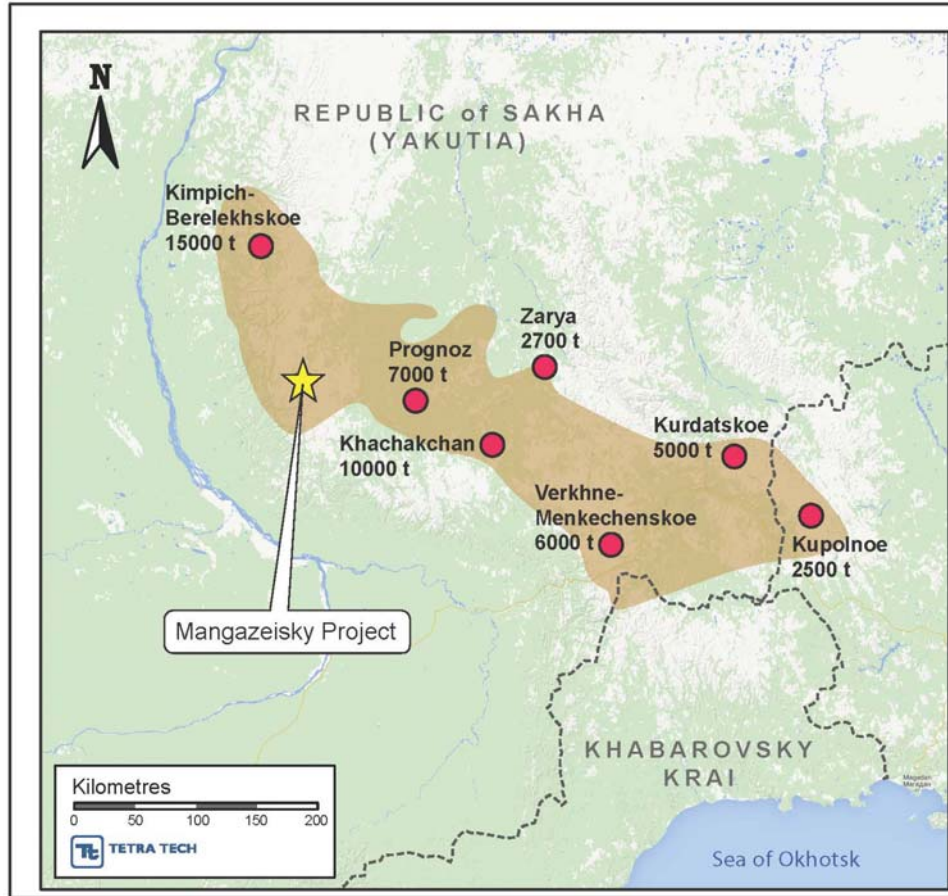
The Endybal diatreme and quartz porphyry dykes postdate the overthrust event. The geological studies by Yangeologia and by A.V. Kostin et al. have led to the following conclusions regarding the sequence of events:

1. mineralised layers of sandstone containing sulphide mineralisation
2. structural deformation
3. Endybal diatreme.

7.3 MINERALISATION

This region of Yakutia is known to contain many silver deposits; Figure 7.2 illustrates the position of the Property in relation to a number of the known silver projects in the region.

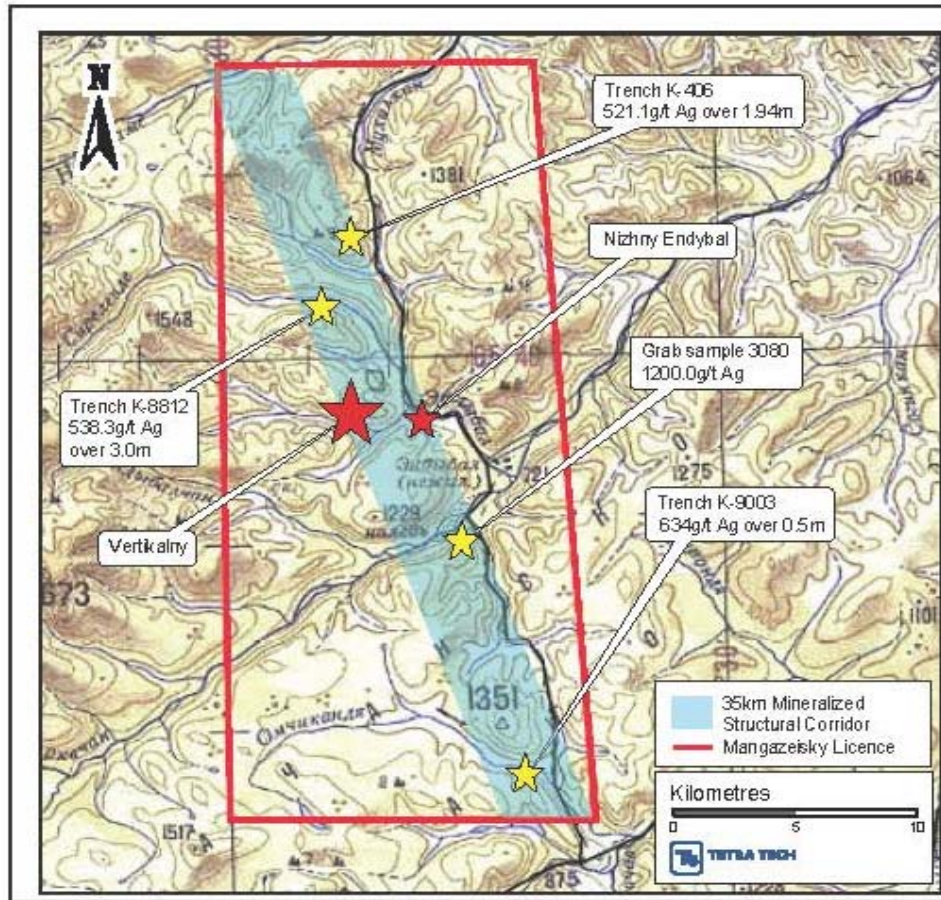
Figure 7.2 Silver Projects within the Sakha Republic of Yakutia



Source: Silver Bear

The Property contains several explored areas that host more than 100 occurrences of mineralisation. The mineral occurrences are concentrated within a 35 km long corridor, Figure 7.3.

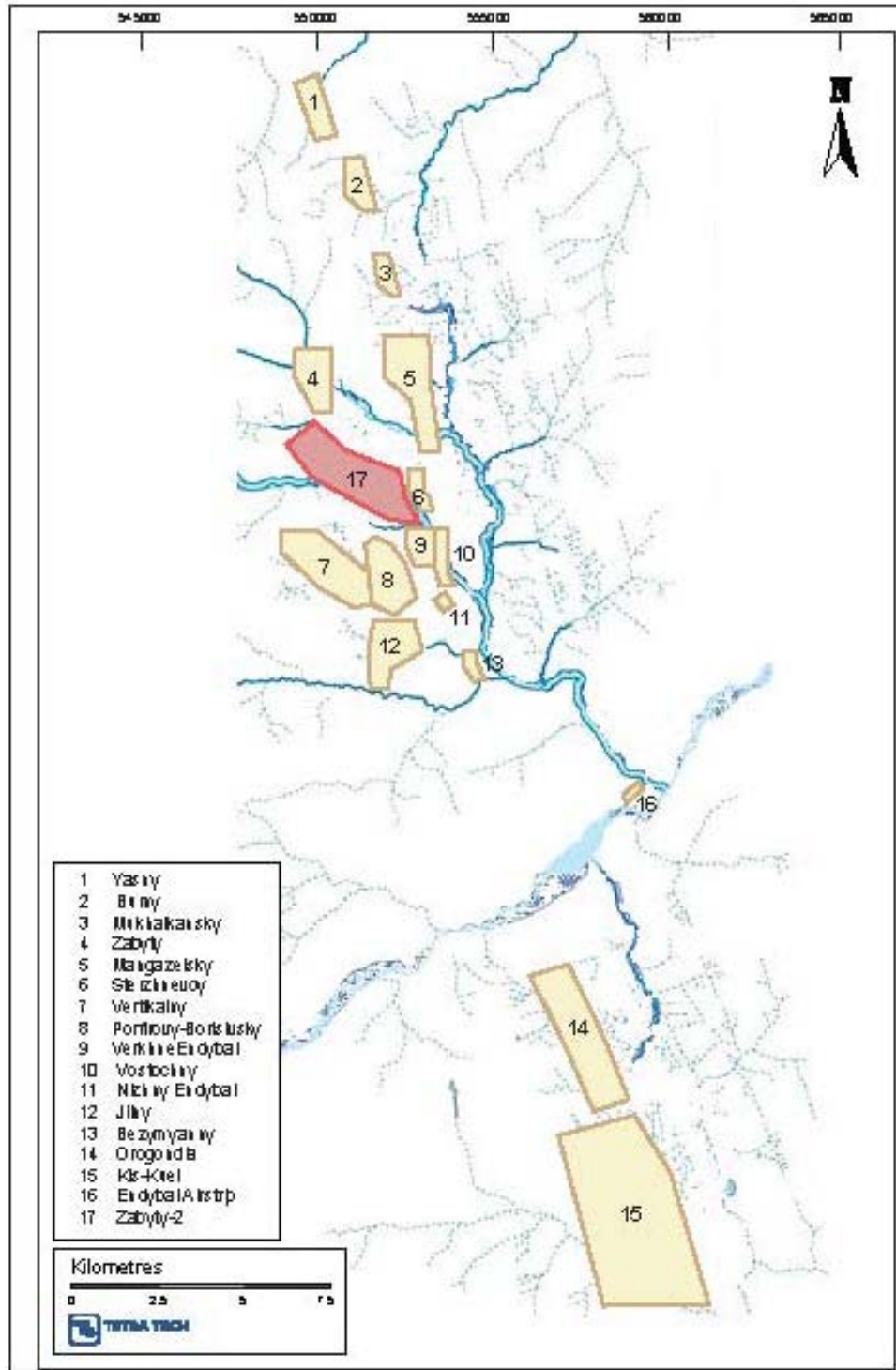
Figure 7.3 Mineralised Structural Corridor within the Mangazeisky Property



Source: Silver Bear

These mineralised areas include: Yasny, Burny, Mukhalkansky, Zabyty, Zabyty-2, Mangazeisky, Strezhevoy, Vertikalny, Porfirov-Borisovsky, Vostochny, Nizhny Endybal (NizhneEndybal), VerkhneEndybal, Jilny, Bezmyanny, Orogondia and Kis-Kuel, as illustrated in Figure 7.4.

Figure 7.4 Areas of Explored Mineralisation within the Licence Area



Source: Silver Bear.

Note: Sites in red text are understood to be project areas within the overall Mangazeisky exploration licence that had been worked on up to the time of reporting.

The Property hosts at least four different types of mineralisation:

- Strata-bound silver-bearing, quartz-carbonate-sulphide structures with average grades greater than 900 g/t Ag, with lead and zinc by-products. These silver bearing structures were mapped and sampled over an area of 65 km². Examples of this are the Vasilievsky – Anglesite-Cerussite and Olgina – Mikhailovsky veins within the Mangazeisky zone.
- Thicker linear-type stockwork areas with carbonate-silver sulphosalt mineralisation. Examples of this occur in the Strezhevoy and Nizhny Endybal Zones.
- Narrow, steep dipping veins such as Vertikalny that cross-cut stratigraphy and feature grades in excess of 1,000 g/t Ag over widths ranging from several centimetres to several metres. Vertikalny and possibly Zabyty and Kis-Kuel are examples of this style of mineralisation.
- A porphyry area associated with quartz, quartz-carbonate and quartz-sulphide veins and veinlets, hosted by extrusive rhyolite porphyry. Porfirovy is an example of this.

Each mineralised area is described in the following sections.

7.3.1 MANGAZEISKY

The Mangazeisky Zone is made up of several veins and mineralised occurrences.

The Vasilievsky and Olgina deposits comprise of a series of bedding parallel and cross-cutting vein sets. The deposits are located within an area of boudinage, within which the Vasilievsky vein is confined. The Vasilievsky vein cross-cuts the sandstone bedding and converges with the Olgina vein at depth.

The approximate depth where the two mineralised zones intersect is between 860 and 880 m. A stockwork system and native silver occurs in a mineralised zone that formed at the junction between the two veins. An analogy to this mineral deposit would be the Ruby deposit in the Southern Yukon and Alaska area.

The Vasilievsky vein and its northern extension, the Anglesite-Cerussite vein, is one of the longest on the Property, with a length of more than 4.1 km and an average thickness of 1.9 m. The vein has a strike of between 340 to 345° and dips between 35 and 85° to the northeast.

The Olgina vein and its northern extension and the Mikhailovsky vein, run parallel to the Vasilievsky Zone to the east. Both mineral zones are strata-bound. According to assay results, these veins show zonation; the southern part is silver-bearing and the northern part contains silver and lead.

The Vasilievsky and Olgina systems typically include several veins with only one hosting the majority of the mineralisation. The veins are surrounded by a mineralised halo within the brecciated sandstone. The mineralisation becomes lower-grade from the vein outwards into the sandstones. In some portions of the vein there are cross-cutting V-shaped fractures which are from 0.2 to 0.5 m in length and filled with sulphides and silver sulphosalts.

The interpretation of tectonic stress fields for the southern flank of the Vasilievsky Zone (Kostin et al., 1997) indicates that mineralised shoots formed in areas where both vertical and horizontal displacement occurred. Brecciated sandstones have a thickness up to 0.5 m with the contacts of the brecciated zones being sharp and defined by early shearing. The shear commonly exhibits slickensides with horizontal striations. Brecciation was also accompanied by silicification of the finely laminated fine-grained sandstones. The cement is represented by medium grained quartz and fine-grained light grey siderite.

The following minerals are present: Native silver, acanthite, stephanite, polybasite, canfieldite, pyrrargyrite, miargyrite, diaphorite, tetrahedrite, owyheeite, freieslebenite, boulangerite, arsenopyrite, sphalerite, pyrite, galena and chalcopyrite.

These veins have been intersected at surface in numerous trenches, with some samples returning values up to several thousand grams per tonne of silver. Drilling in 2008 failed to intersect the sub-surface occurrence of the Vasilievsky and Olgina veins, further investigations are required to understand the geometry of these deposits.

The Semenovskiy vein is located in the core of the Mukhalkansky anticline, hosted within sediments. It has been historically described as a galena vein less than 1 m wide which becomes a zone of quartz-carbonate-sulphide veinlets and breccia with quartz-carbonate cement. It might range from 150 to 500 m long, with a strike of 55° and a dip of 28°. Samples from this vein have returned values of 795 g/t to 1,103 g/t Ag, approximately 17% Pb and 2% Zn.

The brecciated part of the vein consists of wall rock clasts of <15 cm along the axis and is cemented with quartz-sulphides. Partly oxidised arsenopyrite was observed within the quartz. Quartz, with good crystal form, is a common vein constituent; similar quartz is seen in the Mikhailovsky vein.

The following minerals are present in the Semenovskiy vein: galena, boulangerite, jamesonite, bertholite, diaphorite, sphalerite and tetrahedrite. Semenovskiy can be classified as a silver-lead occurrence.

In 2005, Silver Bear tried to develop the Semenovskiy mineralisation zone by drilling. Based on earlier observations, it was assumed that the vein was strata-bound; however, as drilling failed to intersect the mineralisation, it was thought that the vein is sub-vertical, cross-cutting the strata.

In 2008, four holes were drilled in an attempt to prove the Semenovskiy vein; however, all failed to intersect mineralisation. The current interpretation is that Semenovskiy is not vertical as was assumed in 2005, but instead either pinches out at a shallow depth, or is truncated by a fault.

7.3.2 VERTIKALNY

The Vertikalny vein has been traced on surface for 5.1 km. The under-explored southeast portion, identified in 1990 by Yangeologia, possibly extends to the Endybal River valley. To the northeast, along the areas where oxide material is identified, the vein swells from 3 to 15 m. Further northeast, the zone splits into two. The eastern

branch, which is obscured by a siltstone bed, was traced by individual grab samples in erosional windows.

The mineralisation occurs as sandstone breccias with quartz or siderite cement, abundant hydrous ferric oxides that results from the oxidation of sphalerite and galena. In the Northwest Zone, potential mineralisation was traced in float and frost heaves up to the head of Krainy Creek. Further along, the mineral zone enters the right side of the Sirelendge River, where it is tested by trenches and found to contain galena-siderite mineralisation. Along the entire length, mineralisation is expressed as breccias with siderite-sphalerite-galena and various quantities of silver sulphosalts. Mineralisation is usually associated with the presence of dykes of intermediate to basic composition.

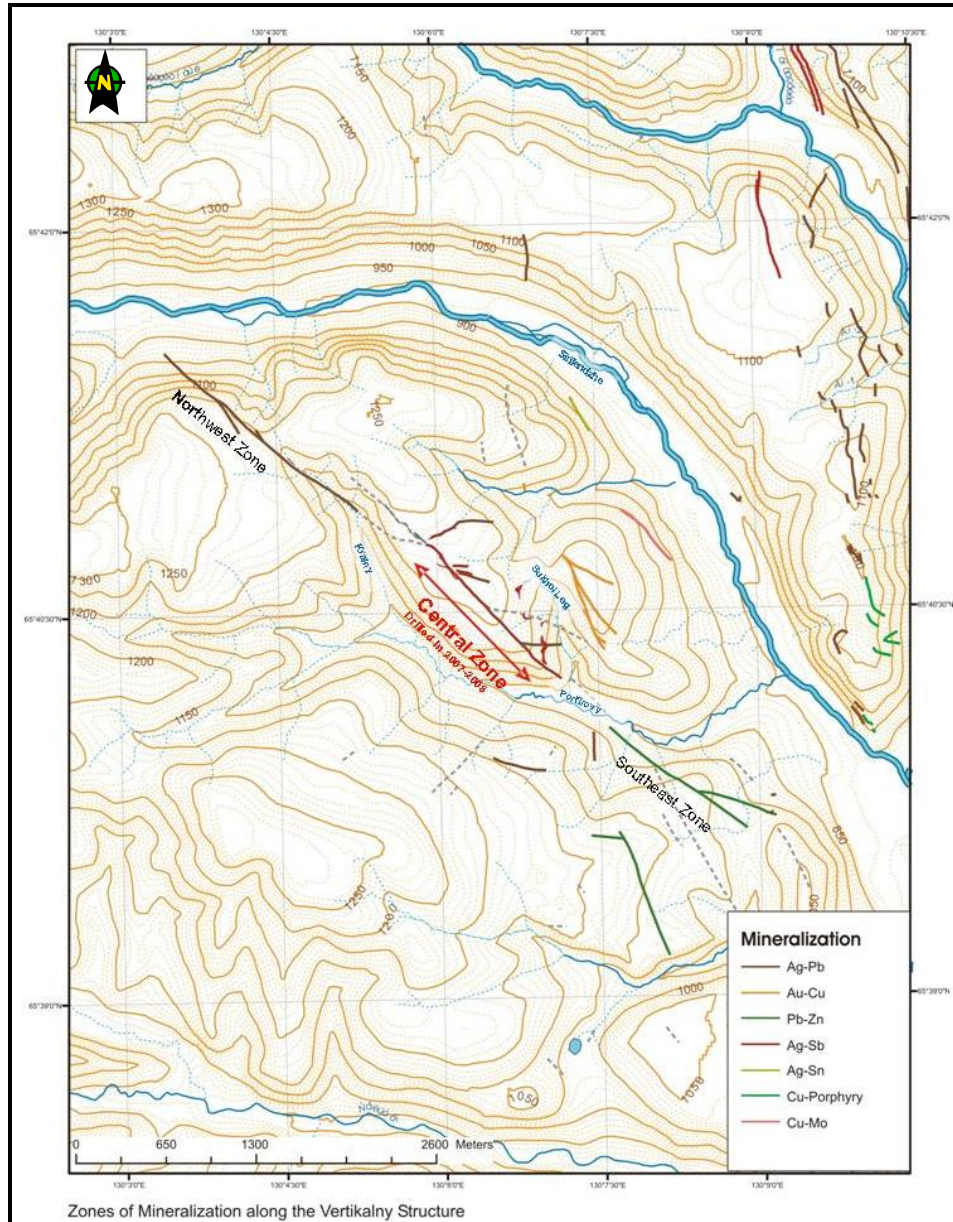
The Vertikalny Zone is not a single linear feature, but rather a combination of conjugated faults and breccias with various mineral compositions and quality. Structurally, the Vertikalny Zone is associated with the right-lateral strike-slip fault zone, which can be readily identified on IKONOS satellite images. Exploration of the structure has revealed sub-parallel branches with potentially prospective mineralisation similar to that found in the Central Zone. The intersections of the main structure and vein splays can result in the development of thicker intersections of mineralisation.

The mineral composition along the length of the Vertikalny structure is represented by galena and sphalerite, with subordinate values of other sulphides. However, early geochemical association analysis has shown three mineralisation types, which characterise the zones: The Northwest Zone (silver-lead-zinc), the Central Zone (silver-lead-zinc-tin) and the Southeast Zone (lead-zinc).

The three zones of the Vertikalny structure are presented in Figure 7.5.

The total drilled strike length of the Vertikalny structure is some 2,400 m. Drilling has tested portions of the structure to a maximum depth of 500 m from surface. Figure 7.6 shows a cored mineralised intersection from drillhole V13-020.

Figure 7.5 Mineral Zonation of the Vertikalny Structure



Source: Silver Bear.

Note: Mo = molybdenum.

Figure 7.6 Beginning of the Mineralised Intersection from Drillhole V13-020



Source: Silver Bear.

7.3.3 ZABYTY AND ZABYTY-2

The Zabyty occurrence was discovered in 1934 and further explored in 1992 to 1994. Mineral occurrences are concentrated on the walls and in the watershed of the Fedor-Yuryage River.

This area is referred to as the 'up-structure' of the Endybal anticline and is composed of nearly horizontal beds of sandstones and siltstones (Kygyltassky Suite). The stratigraphy is cut by sub-parallel; sub-vertical felsic dykes and later intermediate to basic dykes, of up to 5 m thick, which occur along a strike length of 2.5 km. The host rocks are sheared and broken by a number of fractures, often gouge-bearing, which control the branching, sub-parallel and steep-dipping zones of mineralisation. The structural disturbance is related to the Granichny fault system.

Mineralisation occurs as a structurally disturbed zone that intersects stratigraphy under a gravelite layer in the same stratigraphic level as the Strezhevoy mineralised body. The total width of the steeply dipping zone is 50 to 60 m (up to 2 km), striking at 315 to 340°. A single trench, developed by Yangeologia in 1991, returned 1,906.5 g/t silver, 59.3% lead and 1.85% zinc from sandstone breccia cemented with sulphides.

The following minerals are present in the Zabyty occurrence: galena, sphalerite, tetrahedrite, chalcopyrite, pyrite, boulangerite and arsenopyrite. The association is silver-galena-sphalerite-siderite. Mineralisation occurs with galena, sphalerite and siderite-silver sulphosalt aggregates.

There are two parallel zones of mineralisation located within 200 to 300 m from each other – the Western and Eastern (A.I. Nekrasov et. al, 2004).

The mineralisation potential is promising, given its structural and mineralogical similarity with Vertikalny. It is evident from the IKONOS satellite image that the potentially mineralised areas of Zabyty can be traced south toward the Porfirovy site.

7.3.4 Kis-Kuel

The Kis-Kuel site is located approximate 20 km southeast of Vertikalny, in the western limb of the Endybal anticline.

The geology at Kis-Kuel consists of granitoid intrusive bodies beneath sedimentary units. The sediments above the stocks contain veinlets of sphalerite. The stock itself hosts quartz-galena-chalcopryrite veinlets, brecciated intermediate dykes, brecciated sandstone with argentiferous healed with galena-quartz cements, oxidised intrusive with disseminated sulphides. In most cases the stock is obscured by the overlying sediments.

The mineralisation is controlled by linear structures associated with the Nuektaminsky fault as well as structures formed during the crystallisation of the Kis-Kuel pluton.

This style of mineralisation has no similarities to others seen on the exploration licence and therefore, warrants further investigation. Lead and zinc mineralisation, previously only seen in the margins of intrusive bodies, occurs in the centre of the Kis-Kuel pluton, which might indicate the presence of an undiscovered copper-molybdenum or gold-copper porphyry. There are also several occurrences of arsenopyrite-quartz veining, which indicates the potential for gold mineralisation.

7.3.5 OROGONDIA

Based on data by V.V. Shoshin (Nekrasov A.I. et. al, 1997) mineralisation at Orogondia is connected with a near conformable mineralised zone of shearing with a strike of 325 to 345 that can be traced for up to 4 km. Most of the mineralisation reports on the surface of medium-grained sandstones as sulphide-quartz-siderite veinlets, of 0.5 to 2 m wide (average thickness is 0.8 m).

The reported length of the mineralised body is circa 1 km.

The grade varies from 138 to 886 g/t silver, 4.83 to 25.44% lead, and 2.12 to 7.78% zinc. The following minerals are present: galena, sphalerite, pyrite, tetrahedrite, arsenopyrite, chalcopryrite, stannite, owyheeite, diaphorite, boulangerite. Based on the data from Yangeologia, the Orogondia showing was evaluated from nine grab samples, selected from float and subcrop.

Mapping and prospecting in 2008 led to the discovery of a strata-bound zone of oxidised quartz-carbonate which measures 0.8 m wide, with a strike length of 200 to 1,200 m. This occurrence is described as potentially non-argentiferous as it contains only sparse quantities of disseminated sphalerite and galena.

The work in 2008 failed to locate the occurrences of the mineralisation as reported by Yangeologia within 4 km of its proposed location. It is likely that there were several different occurrences, which combined and appeared to be a single feature.

7.3.6 STERZHNEVOY

This zone is a complex vein system of approximately 600 m in length with a thickness of up to 5 m, but averaging approximately 0.9 m. The thickness of the individual veins within the larger vein system varies from 10 to 20 cm. In addition, parallel mineral zones are associated with the main deposit. The average grade of silver of the zone is 2,652 g/t. The mineralised veins are situated within medium and coarse-grained sandstones and siltstones, overlying a lower conglomerate unit. A significant amount of a black organic substance (shungite) is present in the cement, binding the particles of the sedimentary units together. In the areas where there has been hydrothermal reworking of the sandstones, shungite forms lenses and flakes in association with coarse-crystalline drusy quartz. The underlying layers of sandstone contain disseminated silver mineralisation and are within the same stratigraphy as the Nizhny Endybal deposit.

The Sterzhnevoy Zone was formed as a result of remobilised mineralisation from underlying silver rich sulphide-bearing sandstones, into structures formed in a shear zone with numerous secondary downthrown blocks and overthrusts (Kostin et. al., 1997). There is a downthrown layer with a thick zone of boudinage and jointing situated parallel to the main zone. The Sterzhnevoy Zone can be traced from the Bezmyanny deposit to the Zabyty mineral occurrence and is characterised by barren hydrothermal activity, expressed in remobilisation of an organic substance (shungite) and the formation of quartz druses from sandstone.

Tracing the hydrothermal rock alterations through the boudinage zone along the strike of the siltstone layer to the north of the Sterzhnevoy Zone as indicated by the preservation of the vein and rock alterations (quartz crystals druses, lenses and shungite flakes) shows that silver mineralisation is absent. The assumption is that the mineral components for the Sterzhnevoy Zone were taken from stratigraphically underlying rocks of the Nizhny Endybal deposit and hydrothermal activity channelled their remobilisation into more favourable structures.

7.3.7 MUKHALKANSKY

The Mukhalkansky mineralisation is represented by two galena bearing veins. The first vein, which cross-cuts the stratigraphy has been traced for 800 m and has an average width of 0.2 m and contains an average silver content of 1,295.4 g/t. The vein is confined to a tectonic fault that was accompanied by brecciation of the enclosing rocks during its formation. The vein is orientated parallel to the Nuektaminsky fault and is believed to be its mineralisation supplying fragment. The second vein is a concordant vein in its mode of occurrence and is confined to a stratum of thin layer sandstones. The second vein branch can be traced for approximately 500 m and has a width of between 0.2 and 0.4 m. The average silver content of the second vein is 2,328.7 g/t.

7.3.8 BEZMYANNY

The Bezmyanny mineralisation is composed of several zones confined to inter-stratal ruptures. The mineral veins are located along the contacts of medium-grained and fine-grained sandstone strata. Veins are traced for 500 m with a thickness ranging

from between 2 to 5 cm and 34 to 40 cm. The mineralisation content varies from 756 to 24,433 g/t silver, 0.4 to 1.5 g/t gold, 0.1 to 7.81% lead and 0.1 to 0.8% zinc.

7.3.9 NIZHNY ENDYBAL

The Nizhny Endybal deposit has been known since 1774 under the name “Kokovin Silver Mine”. The style of the mineralisation at Nizhny Endybal takes the form of a stockwork style network of thin veins, as illustrated in Figure 7.7. Concentrations of the stockwork are accumulated into lens shaped bodies as shown in Figure 7.8. The mineralisation is associated with siderite veins, which are principally parallel or sub-parallel to bedding. However, occasional sub-vertical veins are present, which cross-cut the bedding planes. The veins are predominantly 1 to 2 cm in thickness, but occasionally up to 10 to 15 cm. The thicker veins include veinlets of fahlore and vugs filled with fahlore crystals (refer to Figure 7.11 and Figure 7.12). Galena may also be present as separate veins, but the silver mineralisation does not appear to be directly related to the presence of galena.

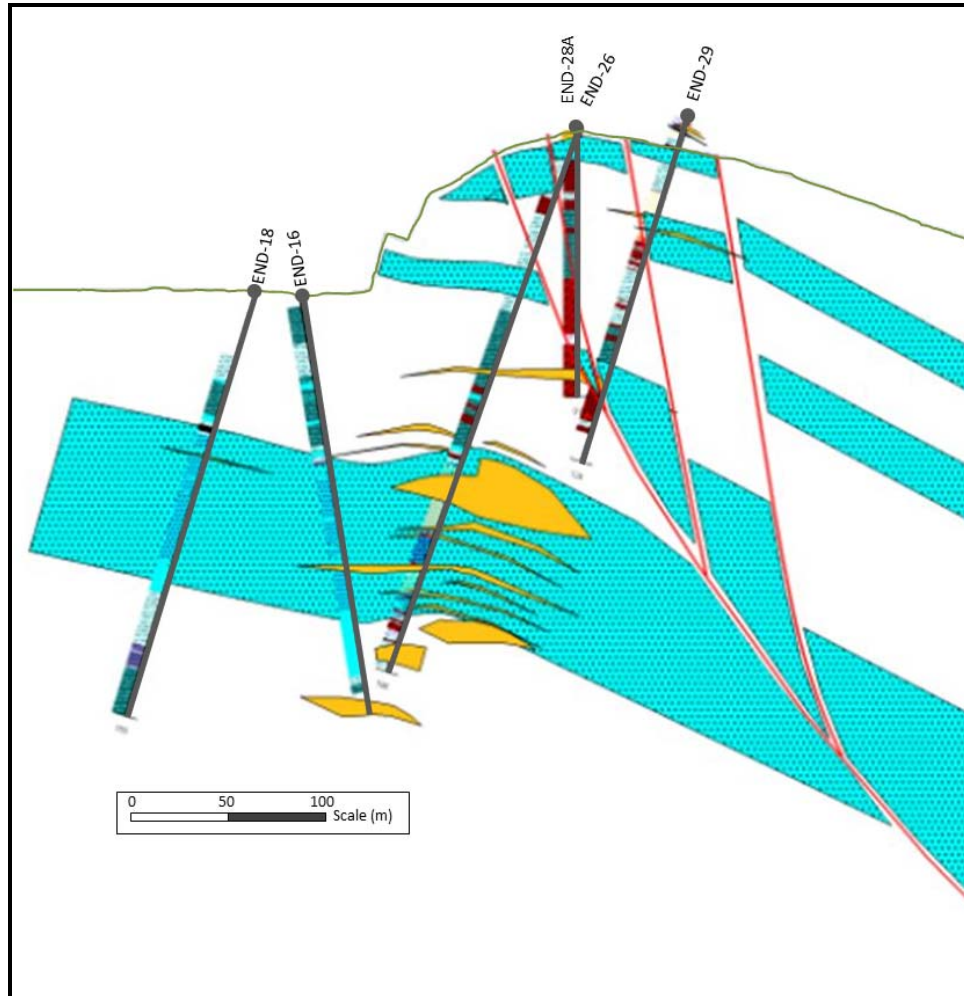
Figure 7.7 Stratiform Siderite Veining in Drillhole END-31A



Source: Silver Bear 2012.

The mineralisation is concentrated within the fold axis of the anticline and decreases with distance along the fold limbs from the axis. If a transect is taken approximately east-west, perpendicular to the fold axis, the thickness of the intersections and mean silver grades decrease to negligible at a distance of circa 40 to 50 m from the centre of the fold axis (illustrated in cross-section in Figure 7.8). In general, the width of the mineralised zones west to east (across strike) is approximately 80 to 100 m and has a continuous strike length of approximately 700 m. Discontinuous mineralisation has been traced in recent drilling to a distance of approximately 1,300 m along strike.

Figure 7.8 Vertical Cross-Section through Drillholes END-16, END-18, END-26, END-28A and END-29 Looking North

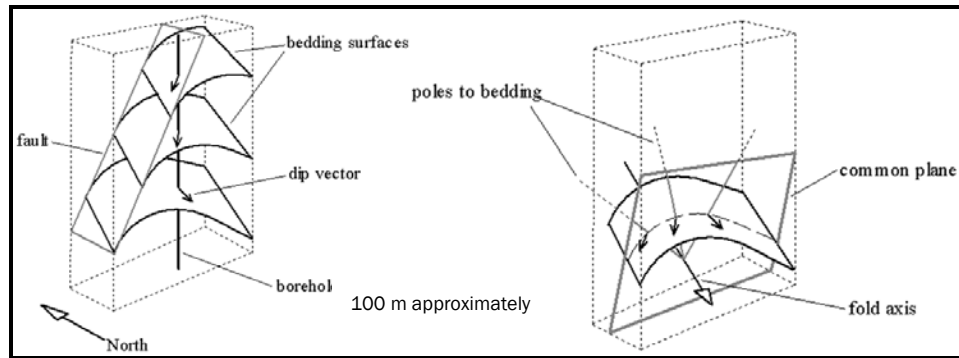


Source: Silver Bear, 2012.

Note: Yellow = Lenses of mineralisation developed in anticline; Blue = sandstone units.

Structurally, the mineralisation at Nizhny Endybal is thought to relate to an anitiformal thrust zone with associated anticline system. The structure is interpreted to include a series of listric faults and is illustrated in Figure 7.9.

Figure 7.9 Representation of the Geometry of the Interpreted Structural Features



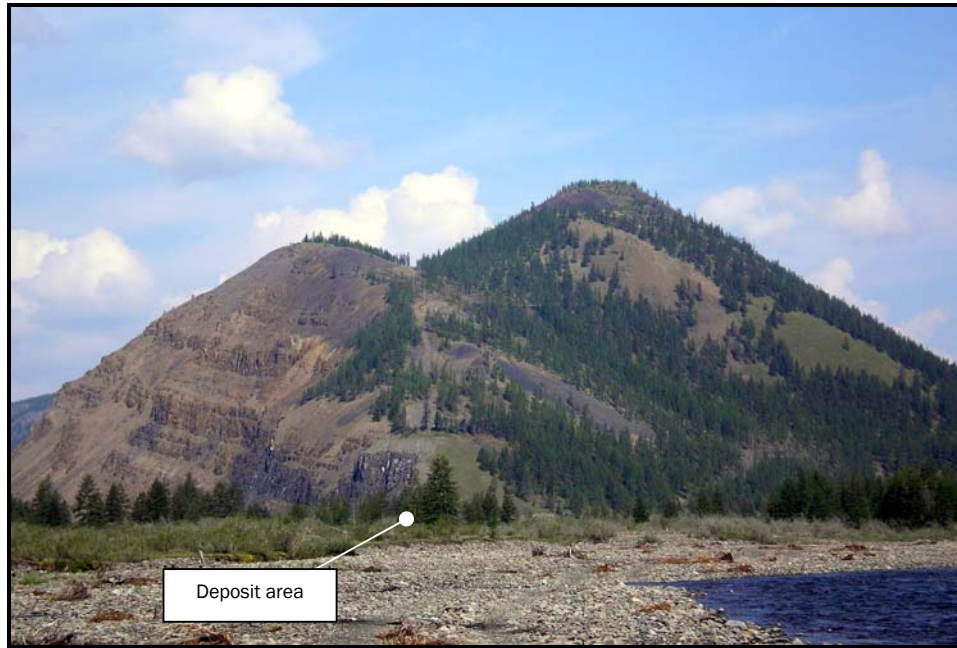
Source: Silver Bear.

The mineralisation at Nizhny Endybal is contained within a series of interbedded sandstone and silty-sandstone units. It is thought that the silty-sandstone units have a lower permeability than the adjacent sandstone units and have, therefore, inhibited the flow of fluids. The sandstones are anticipated to have higher permeability and are more readily fractured and, as such, have provided preferential pathways for fluid flow and associated mineralisation.

Three major sandstone units have been highlighted within the interbedded sequence at Nizhny Endybal. The average thicknesses of the units are 17, 22 and 60 m. The upper and middle units are 17 and 22 m in thickness and comprise fine and medium-grained sandstones. The lower unit is 60 m in thickness and comprises coarse-grained sandstones. The significant mineralised intersections are associated with layers of medium-grained sandstones.

Figure 7.10 shows a general view of the prospect area, with the deposit prominent in the cliff face.

Figure 7.10 General View of Nizhny Endybal



Source: Tetra Tech.

Figure 7.11 Siderite Vein with Vugs filled with Fahlore Crystals, Galena, Ankerite and Quartz



Source: Silver Bear.

Figure 7.12 Siderite Vein with Tetrahedrite Crystal



Source: Silver Bear.

7.3.10 VERKHNE ENDYBAL

The watershed of the Sirelendge-Fedor and Yuryage rivers is prospective for silver mineralisation. Several grab samples selected from among frost heave, characterise disseminated and vein-like mineralisation in altered sandstones.

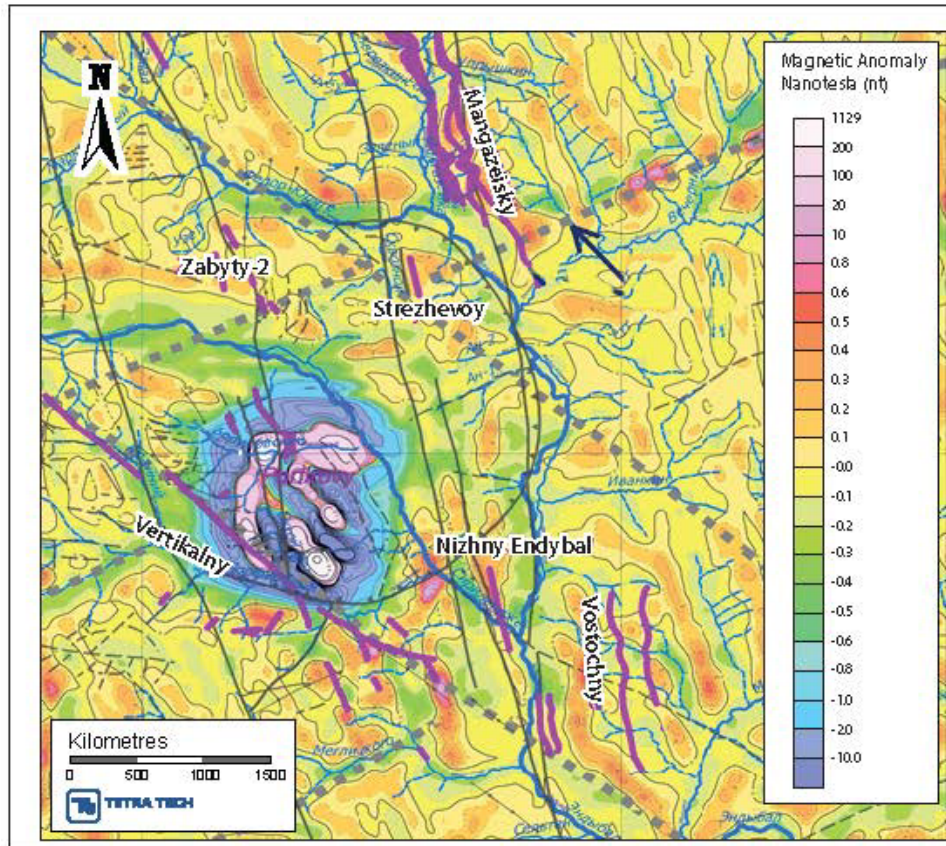
7.3.11 PORFIROVY

Mineralisation in the Porfirovy area is associated with quartz, quartz-carbonate and quartz-sulphide veins and veinlets hosted by rhyolite and dacite porphyry.

The copper and gold potential of the area has only recently been recognised and the copper-silver soil geochemical results indicate an anomalous area that corresponds with the intrusive complex. Locally the rhyolite has been silicified and the feldspars exhibit argillic alteration.

The porphyry is well defined by the magnetic anomaly survey, Figure 7.13.

Figure 7.13 Magnetic Anomaly Map



Source: Silver Bear

7.3.12 BORISOVSKY

Borisovsky occurs on the terrace along the northeast wall of the Sirelendge River in the mouth of the Borisovsky Creek to the northwest. Outcrop with fragments of quartz-carbonate breccias with dispersed sulphides (mostly pyrite) as pockets and veinlets were found within the zone. According to the IKONOS satellite image the outcrops are correlated with two disturbed lines of north-western trend (330°), named Zapadny and Vostochny.

At Zapadny, 1.5 mm quartz-filled fractures, quartz-carbonate breccias and quartz-siderite formations with dispersed pyrite veinlets are hosted within fine and medium-grained sandstones. The structures general trend is 075°.

The Vostochny fault zone was traced for 400 m to the northwest along the wall of the northeastern terrace of the Sirelendge River by sporadic fragments of yellow-white quartz and quartz-siderite with sulphide (pyrite, rare galena) mineralisation. In the northwestern part of this zone, grab samples are of pyrite and galena that occur as disseminated inclusions in yellow-white quartz with pockets of siderite.

8.0 DEPOSIT TYPES

The Property contains two main deposit types: epigenetic polymetallic silver-lead-zinc veins (metasediment hosted), and porphyry (copper, gold, silver). The majority of the exploration, and the existing resources, are focused upon the polymetallic silver-lead-zinc veins. The veins are sulphide-rich, containing sphalerite, galena, silver, and sulphosalt minerals in a carbonate and quartz gangue.

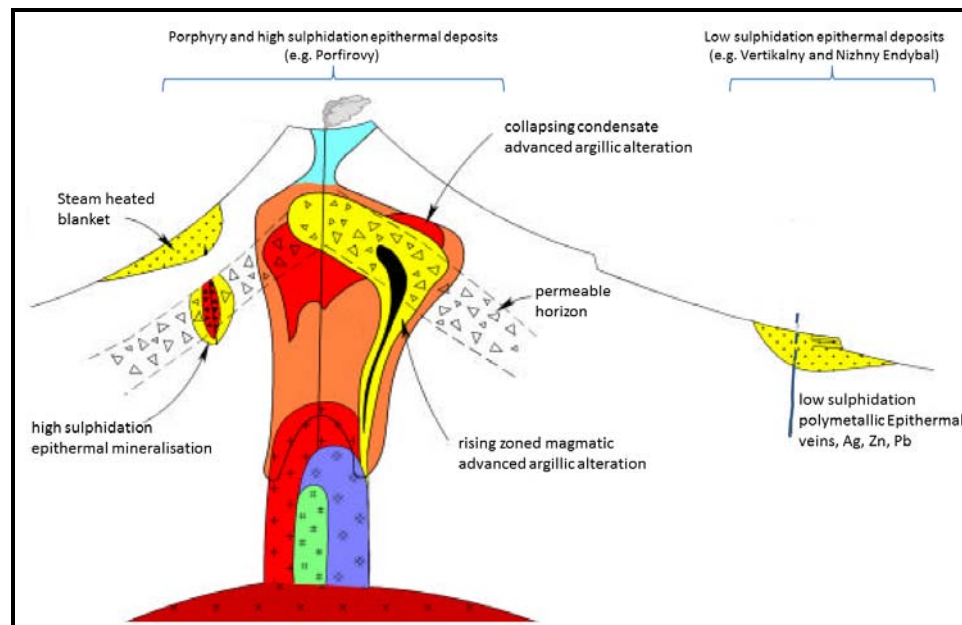
At Vertikalny the veins are emplaced in and along fractures and faults in a sedimentary basin dominated by clastic rocks that have been deformed, metamorphosed, and intruded by igneous rocks. The veins are steeply dipping and narrow.

At Nizhny Endybal a stockwork of cross-cutting polymetallic veins are concentrated within strataform lenses of sandstone and siltstone. The mineralisation is concentrated to the centre of the Endybal anticline fold axis.

In many cases, the geology and morphology of the veins appear to be similar to the Prognoz property, which Nordgold NV is developing some 160 km to the east of the Property. The Porfirovy area of the Property represents a potential copper-gold-silver porphyry deposit, related to a sub-volcanic intrusive body.

Figure 8.1 presents a section through a conceptual porphyry and epithermal deposit model that could be applied to parts of the Mangazeisky licence.

Figure 8.1 Idealised Section through a Porphyry and Epithermal Deposit Model



Source: Corbett (2009)

8.1 GEOLOGICAL CONCEPTS BEHIND EXPLORATION PROGRAMME

At Vertikalny and Nizhny Endybal, structural geology influences the extent and distribution of the mineralisation. Surface trenching and diamond drilling campaigns have been targeted to systematically explore profiles along the strike length of the interpreted structural features (i.e. along the fractures and faults at Vertikalny, and along the fold axis of the Endybal anticline).

Geological mapping, historical geophysical surveys, and soil sampling campaigns guided the initial drilling and trenching programmes.

9.0 EXPLORATION

The exploration campaigns completed prior to 2010 have been disclosed in the September 2011 PEA completed by Tetra Tech (Tetra Tech 2011). Table 9.1 provides a summary of the exploration completed prior to 2010.

Early exploration was focused upon the narrow, strata-bound silver mineralisation of the Vasilievsky and Mikhailovsky targets, with more of a focus on Vertikalny from 2007 onwards. Latterly, the exploration has incorporated the evaluation of the thicker, linear, stockworks at Sterzhnevoy and Nizhny Endybal.

Table 9.1 Historic Exploration Activities at the Property

Year	Exploration Activities	Targets Explored
2004	No exploration was undertaken during 2004, other than a minor drilling campaign.	-
2005	9,641 m ³ of trenching.	Vasilievsky, Mikhailovsky, Sterzhnevoy, Nizhny Endybal
2006	4,843 m ³ of trenching and mapping.	Nizhny Endybal, Vostochny, Sterzhnevoy, Vertikalny
2007	8,000 m ³ of trenching.	Vertikalny
2008	22,633 m ³ of trenching. Mapping, lithochemical sampling, direct current induced polarisation/magnetotellurics and magnetic anomaly geophysical surveys.	Vertikalny, Zabyty, Zabyty-2, Kis-Kuel, Orogondia
2009	15,067 m ³ of trenching. Lithochemical sampling, magnetic anomaly mapping.	Nizhny Endybal, Vertikalny, Kis-Kuel, Mukhalkan-Burny
2010	No exploration was undertaken during 2010.	-

9.1 2011 AND 2012 EXPLORATION PROGRAMME

Silver Bear re-commenced exploration work during the 2011 and 2012 field seasons.

A further six trenches were excavated within the central part of the Nizhny Endybal deposit, totalling 1,600 m³.

Table 9.2 includes a summary of the significant mineralised intersections from the trenches excavated during 2011 and 2012.

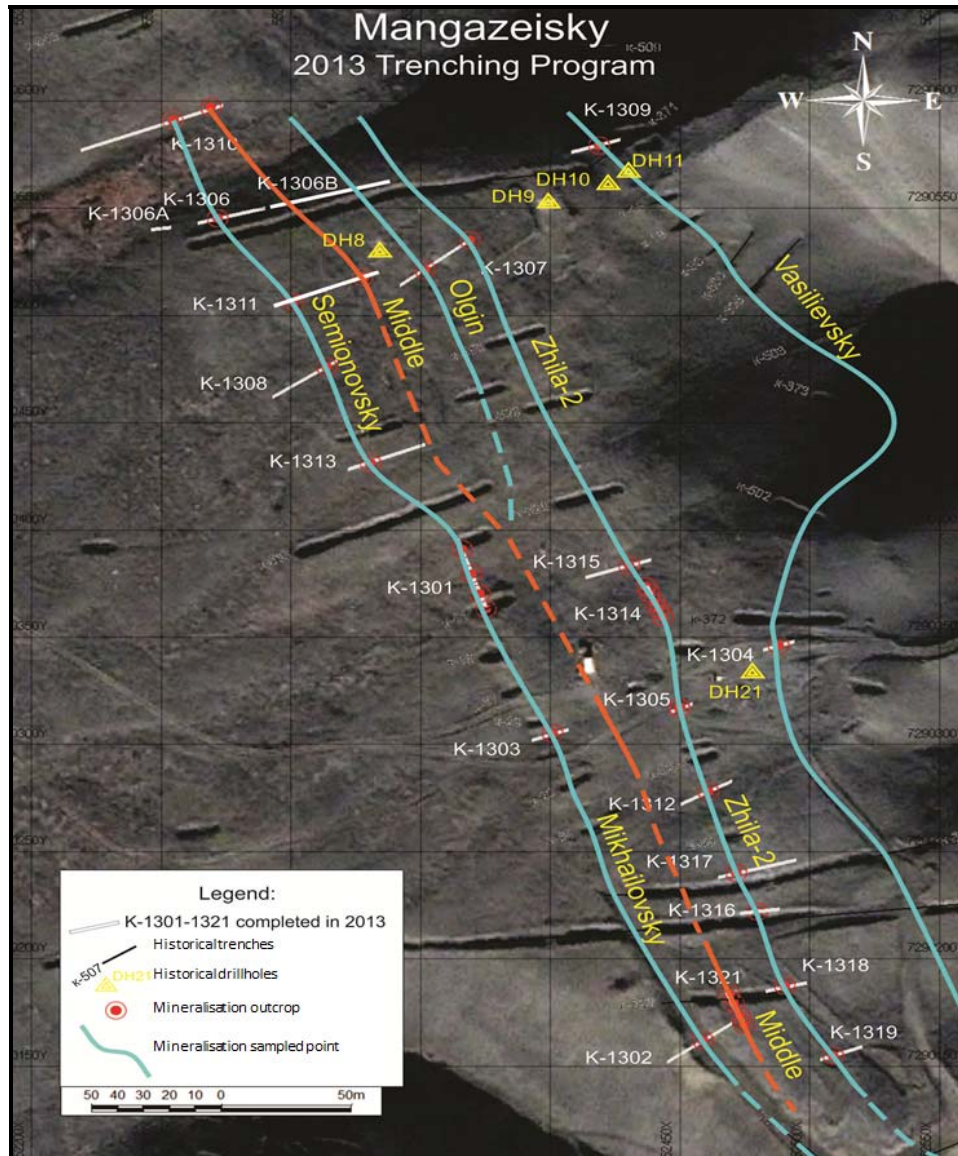
Table 9.2 Summary of Intersections from 2011 to 2012 Trenches at Nizhny Endybal with a Grade of >75 g/t Ag

Trenches	From (m)	To (m)	Intersection Length (m)	Ag (g/t)
K-6049	19.0	43.0	24.0	162.0
<i>including</i>	19.0	20.0	1.0	807.0
<i>including</i>	32.0	33.0	1.0	1,420.0
K-6051	47.5	51.8	4.1	82.3
<i>including</i>	51.6	51.8	0.2	175.0
K-6053	16.0	18.0	2.0	486.0
<i>including</i>	16.1	17.1	1.0	683.0
K-6053	37.0	41.0	4.0	136.0
<i>including</i>	37.0	38.0	1.0	225.0

9.2 2013 EXPLORATION PROGRAMME

During the 2013 and 2014 field seasons, 25 trenches were excavated on Mangazeisky North (Figure 9.1).

Figure 9.1 Plan Illustrating 2013 Trench Locations on Mangazeisky North Zone



Source: Tetra Tech.

The significant intersections are presented in Table 9.3.

Table 9.3 Summary of Intersections from 2013 Trenches on Mangazeisky North; with a silver grade > 75 g/t Ag

Trench ID	Sample Profile No.	Sample Length Across Strike (m)	Grade (Ag g/t)	Mangazeisky North Target Vein
k13-01	P1	1.9	1,705.0	Mikhailovsky
k13-01	P2	2.1	1,590.0	Mikhailovsky
k13-01	P3	2.0	1,700.0	Mikhailovsky
k13-01	P4	1.6	1,780.0	Mikhailovsky
k13-01	P5	2.0	2,032.0	Mikhailovsky
k13-01	P6	0.5	2,123.0	Mikhailovsky
k13-03	p1	1.0	129.0	Mikhailovsky
k13-03	p10	1.0	264.0	Mikhailovsky
k13-03	p7	1.0	302.0	Mikhailovsky
k13-03	p8	1.0	102.0	Mikhailovsky
k13-11	P1	1.0	267.0	Mikhailovsky
k13-11	P2	1.0	343.0	Mikhailovsky
k13-11	P3	1.0	99.6	Mikhailovsky
k13-13	P1	0.4	506.0	Mikhailovsky
k13-13	P2	0.8	157.0	Mikhailovsky
k13-22	P1	1.7	2,280.0	Mikhailovsky
k13-22	P2	1.6	2,575.0	Mikhailovsky
k13-22	P3	1.6	2,017.0	Mikhailovsky
k13-22	P4	1.2	2,090.0	Mikhailovsky
k13-22	P5	1.0	874.0	Mikhailovsky
k13-22	P6	1.2	1,262.0	Mikhailovsky
k13-22	P7	1.1	932.0	Mikhailovsky
k13-23	P3	1.0	90.5	Mikhailovsky
k13-24	P1	0.7	2,774.0	Mikhailovsky
k13-24	P2	0.8	191.0	Mikhailovsky
k13-04	P1	1.0	221.0	Vasilievsky
k13-04	P2	1.0	79.6	Vasilievsky
k13-04	P3	1.0	334.0	Vasilievsky
k13-04	P4	1.0	308.0	Vasilievsky
k13-05	P1	1.0	484.0	Zhila-2
k13-05	P2	1.0	186.0	Zhila-2
k13-05	P3	1.0	1,224.0	Zhila-2
k13-05	P4	1.0	1,232.0	Zhila-2
k13-05	P5	1.0	370.0	Zhila-2
k13-12	P1	0.6	90.0	Zhila-2
k13-12	P2	0.4	1,364.0	Zhila-2
k13-14	P1	1.5	1,504.0	Zhila-2
k13-14	P2	0.3	2,543.0	Zhila-2
k13-14	P3	0.9	1,730.0	Zhila-2
k13-14	P4	1.4	1,026.0	Zhila-2
k13-14	P5	2.2	768.0	Zhila-2
k13-15	P1	0.5	2,166.0	Zhila-2

table continues...

Trench ID	Sample Profile No.	Sample Length Across Strike (m)	Grade (Ag g/t)	Mangazeisky North Target Vein
k13-16	P1	0.25	218.0	Zhila-2
k13-16	P2	1.2	2,665.0	Zhila-2
k13-16	P3	0.25	80.6	Zhila-2
k13-17	P1	1.0	375.0	Zhila-2
k13-17	P2	0.5	2,144.0	Zhila-2
k13-18	P1	0.3	1,964.0	Zhila-2
k13-18	P2	0.8	105.0	Zhila-2
k13-18	P3	0.3	1804.0	Zhila-2

9.3 2014 EXPLORATION PROGRAMME

Table 9.4 presents a summary of the trenching completed during 2014. The samples associated with this work have not yet been assayed.

Table 9.4 2014 Trenching

Zone	Trenching	
	No. of Trenches	Volume (m ³)
Vertikalny	7	5,876.5
Mangazeisky North	1	75.0
Porfirovoy	5	2,896.2
Sterzhnevoy	1	2,300.0
Total	14	11,148.7

9.4 TRENCH SAMPLING PROCEDURES

The current sampling methods and approaches are summarised as follows:

- A main trench was excavated along the strike of the mineralised zones to a depth of up to 4 m to expose the mineralised zones. The width of the trenches was 1 to 4 m depending on the thickness of the overburden.
- Where possible sampling and drilling is conducted on a grid of parallel lines oriented perpendicular to the strike of the main mineralised zones. All trenches, road cuttings and other exposures were mapped in detail and sampled as required.
- All sampling in the trenches were sampled by channel samples perpendicular to the strike of the mineralised zones, the cross-section of which was 3 x 10 cm. The length of the samples varies from 0.1 to 6.0 m and averages 1 m. The entire trench exposure is sampled. Sample weights vary from 5 to 10 kg and average 7.5 kg.

All trench sampling was conducted on a grid of parallel profiles oriented perpendicular to the strike of the main mineralised zones. The sampled profiles were initially established at widely spaced intervals which have been in-filled as exploration continues.

The initial trenches were dug along the strike of the mineralised zones to a depth of up to 4 m to expose the mineralised zones. The width of the trenches was generally between 4 and 5 m to allow full intersections to be taken as profiles orientated perpendicular to the strike of the mineralisation (Figure 9.2).

The samples were returned to camp on a daily basis, where the material is dried, crushed, split and assayed using the methods outlined in Section 11.0. As with the drill core samples, standard and blank samples are submitted every 20 samples, however, no field duplicates are collected.

Figure 9.2 Sampling Profiles within Trench K13-21



Source: Silver Bear.

Prior to sampling the trenches are mapped in detail (see Figure 9.3).

10.0 DRILLING

Details about the drilling campaigns completed prior to 2010 have been disclosed fully in the 2011 PEA (Wardrop 2011). The 2011 to 2012 drilling campaigns have been disclosed fully in the 2013 Technical Report (Tetra Tech 2013). Both reports are filed under Silver Bear's profile on SEDAR. Table 10.1 provides a summary of the drilling completed between 2004 and 2012.

Table 10.1 Summary of Historical Drilling on the Property

Year	Metres Drilled	Targets Drilled
2004	151.2	Vertikalny
2005	3,370.0	Vasilievsky, Mikhailovsky, Nizhny Endybal, Strezhevoy
2006	732.0	Vertikalny
2007	3,100.0	Vertikalny
2008	11,663.0	Vertikalny, Semenovskiy, Vasilievskiy
2009	12,373.0	Vertikalny
2010	-	No drilling undertaken
2011 to 2012	13,445.0	Vertikalny, Nizhny Endybal

10.1 DRILLING PROGRAMME 2013/2014

Silver Bear re-commenced drilling during the 2013/14 field season. During this period, diamond drilling added a further 59 intersections of the Vertikalny mineralised structures.

The 2013/2014 infill drilling programme was designed with the intention of increasing knowledge of the short range variability of the mineralisation, to build confidence in the grade continuity. The drilling was focused close to surface, within the Vertikalny Central Zone and Northwest Zone.

The majority of the 2013/2014 drilling dips at between 60 and 66°, with all of the drillholes orientated towards the southwest (generally with a strike of 224 or 220°). As a consequence of the drilling angle and the steeply dipping mineralisation, the true thickness of the mineralisation is between 40 and 50% of the drilled intersection lengths (see Table 10.2).

In order to provide representative mineralised samples of sufficient quantity for metallurgical testing, drillholes V13-35MET to V13-45MET were advanced at 80°. For these drillholes, the true mineralisation thickness is approximately 17% of the reported intersection length in Table 10.2. Table 10.2 provides summary information relating to the 2013/2014 drilling campaigns.

Table 10.2 Summary of 2013/2014 Drillholes

Drillhole ID	Length Drilled (m)	Easting	Northing	Elevation (m)	Azimuth (°)	Dip (°)	Mineralised Intercept Length (m)	True Mineralisation Thickness (m)
V13-01	39	550910	7284191	1,163	224	60	8.80	4.40
V13-02	74.5	550921	7284202	1,163	224	60	8.80	4.40
V13-03	42.1	550892	7284208	1,164	224	-60	0.95; 5.00	2.50 & 0.48
V13-04	40.2	550800	7284293	1,167	224	-60	7.80	3.90
V13-05	41.4	550768	7284332	1,168	224	-60	9.80	4.90
V13-06	38.4	550750	7284346	1,169	224	-60	2.90	1.45
V13-07	41.5	550735	7284367	1,169	224	-60	8.20	4.10
V13-08	49.5	550702	7284404	1,170	224	-60	2.50; 2.00	1.25 & 1.00
V13-09	77.6	550713	7284417	1,171	224	-60	3.10; 4.40; 8.10	1.55, 2.20 & 4.05
V13-10	72.5	550698	7284433	1,171	224	-60	5.90; 6.90	2.95 & 3.45
V13-11	47.6	550668	7284439	1,173	224	-60	19.40	9.70
V13-12	74.6	550680	7284453	1,173	224	-60	2.50	1.25
V13-13	59.6	550640	7284485	1,173	224	-60	6.30	3.15
V13-14	89.6	550653	7284495	1,173	224	-60	15.15; 4.90	7.58 & 2.45
V13-15	53.5	550627	7284507	1,174	224	-62	15.60	7.32
V13-16	92.6	550640	7284519	1,175	224	-62	15.90	7.46
V13-17	53.5	550613	7284532	1,176	224	-62	4.95	2.32
V13-18	86.5	550626	7284542	1,176	224	-62	6.40	3.00
V13-19	47.7	550580	7284566	1,179	224	-62	5.80	2.72
V13-20	80.5	550594	7284579	1,178	224	-62	11.80	5.54
V13-21	53.6	550566	7284589	1,180	224	-62	5.85	2.75
V13-22	104.5	550582	7284604	1,181	224	-62	5.30; 2.90	2.49 & 1.36
V13-23	47.5	550546	7284602	1,180	224	-62	4.55	2.14
V13-24	41.5	550530	7284620	1,182	220	-62	1.60	0.75

table continues...

Drillhole ID	Length Drilled (m)	Easting	Northing	Elevation (m)	Azimuth (°)	Dip (°)	Mineralised Intercept Length (m)	True Mineralisation Thickness (m)
V13-25	52.8	550516	7284640	1,185	220	-62	2.60	1.22
V13-26	89.7	550527	7284653	1,185	220	-62	10.55	4.95
V13-27	92.7	550562	7284620	1,182	220	-62	1.80	0.85
V13-28	89.6	550749	7284382	1,170	220	-62	4.70	2.21
V13-29	85.1	550782	7284344	1,169	220	-62	4.95	2.32
V13-30	92.6	550797	7284324	1,169	220	-62	0.55	0.26
V13-31	80.5	550902	7284216	1,164	210	-62	1.20	0.56
V13-32	44.6	550944	7284156	1,162	215	-62	2.70	1.27
V13-33	47.6	550962	7284137	1,162	215	-62	2.30	1.08
V13-34	47.6	550979	7284120	1,161	220	-62	7.40	3.47
V13-35MET	36.1	550553	7284579	1,180	200	-80	6.10	1.06
V13-36MET	36.2	550570	7284557	1,178	200	-80	7.10	1.23
V13-37MET	39.2	550583	7284540	1,176	200	-80	4.95	0.86
V13-38MET	39.2	550602	7284517	1,176	200	-80	6.80	1.18
V13-39MET	51.2	550616	7284498	1,174	200	-80	23.60	4.10
V13-40MET	27.1	550968	7284108	1,161	200	-80	5.50	0.96
V13-41MET	27.3	550986	7284089	1,159	200	-80	4.50	0.78
V13-42MET	33.3	550987	7284092	1,159	200	-80	6.50	1.13
V13-43MET	15.1	551001	7284072	1,159	200	-80	5.50	0.96
V13-44MET	39.3	551003	7284076	1,159	200	-80	17.20	2.99
V13-45	68.1	551020	7284089	1,160	220	-66	6.70	2.73
V13-46	62.6	551037	7284068	1,157	220	-66	5.10	2.07
V13-47	65.8	551053	7284051	1,156	220	-66	7.10	2.89
V13-48	63	551085	7284016	1,152	220	-66	2.60	1.06
V13-49	65.9	551104	7283998	1,153	220	-66	5.00	2.03

table continues...

Drillhole ID	Length Drilled (m)	Easting	Northing	Elevation (m)	Azimuth (°)	Dip (°)	Mineralised Intercept Length (m)	True Mineralisation Thickness (m)
V13-50	36.3	551115	7283972	1,152	220	-66	6.90	2.81
V13-51	65.9	551122	7283980	1,152	220	-66	4.70	1.91
V13-52	38.3	551131	7283955	1,142	220	-66	5.60	2.28
V13-53	65.1	550810	7284301	1,168	220	-66	0.50	0.20
V14-01	121.5	551136.68	7284002.6	1,152	220	-60	1.15	0.58
V14-02	100	551165.79	7283962.9	1,143	210	-60	7.00	3.50
V14-03	80	551159.24	7283953.3	1,143	210	-60	8.00	4.00
V14-04	50	551150	7283940.4	1,143	210	-60	7.70	3.85
V14-05	100.5	551186.68	7283930.6	1,120	225	-60	2.80	1.40
V14-06	61.5	551180.41	7283923.6	1,120	225	-60	3.00	1.50
V14-07	119.5	551559.02	7283590.2	941	222	-63	0.50	0.23
V14-08	118.5	551540.82	7283607.6	942	222	-63	Still to be logged and assayed	
V14-09	127.5	551530.54	7283618.4	943	230	-60	4.30	2.15
V14-10	109.5	551587.75	7283569.8	940	222	-60	Still to be logged and assayed	
V14-11	130.5	551656.77	7283499.4	925	222	-60	Still to be logged and assayed	
V14-12	75.5	551639	7283485.3	923	222	-60	Still to be logged and assayed	
V14-13	66	551564.38	7283549.3	932	222	-60	Still to be logged and assayed	
V14-14	50	551529.17	7283571.7	932	222	-60	Still to be logged and assayed	
V14-15	83	551483.9	7283629.3	940	222	-60	Still to be logged and assayed	
V14-16	173	551464.75	7283507.4	920	42	-55	Still to be logged and assayed	
v14-17	165	550666.51	7284546.8	1,175	222	-60	Still to be logged and assayed	
v14-18	136	550722.64	7284458.8	1,172	222	-62	Still to be logged and assayed	
v14-19	187	550952.09	7284264.9	1,165	222	-60	Still to be logged and assayed	
v14-20	125	550926.83	7284239.7	1,165	222	-60	Still to be logged and assayed	
v14-21	152	551008.63	7284181.7	1,163	222	-60	Still to be logged and assayed	

table continues...

Drillhole ID	Length Drilled (m)	Easting	Northing	Elevation (m)	Azimuth (°)	Dip (°)	Mineralised Intercept Length (m)	True Mineralisation Thickness (m)
v14-22	98	550983.61	7284156.1	1,162	222	-60	Still to be logged and assayed	
VNW14-01	121	548984.08	7285570.3	1,223	40	-60	0.80	0.40
VNW14-02	88	549020.78	7285560.7	1,221	40	-60	14.40	7.20
VNW14-03	52.5	549001.06	7285655.5	1,198	220	-65	1.60	0.68
VNW14-04	55.5	549013.68	7285648.7	1,199	220	-65	3.60	1.52
VNW14-05	61	549027.59	7285635	1,199	220	-65	1.10	0.46
VNW14-06	40	549035.71	7285614.9	1,200	220	-60	11.90	5.95
VNW14-07	49.5	549143.96	7285525.8	1,216	220	-60	5.70	2.85
VNW14-08	85	549171.05	7285517	1,215	220	-65	7.40	3.13
VNW14-09	46	549160.37	7285505.9	1,217	220	-60	8.40	4.20
VNW14-10	35.5	549168.73	7285492.3	1,217	220	-60	0.80	0.40
VNW14-11	151	549156.82	7285434.1	1,230	40	-65	16.10	6.80
VNW14-12	123.2	549178.26	7285423.9	1,230	40	-60	7.90	3.95
VNW14-13	118	549062.21	7285514.5	1,225	40	-60	18.80	9.40
VNW14-14	127.3	549040.77	7285532.9	1,225	40	-60	21.60	10.80

The logging and assaying of the 2014 drillholes could not be completed in time to be disclosed in this report or included within the new Resource Estimate. This work will be completed in the forthcoming field season.

Significant intersections are tabulated in Table 10.3. Intersections are considered significant where silver has a length weighted grade of more than 100 g/t over a length of more than 1.0 m.

Table 10.3 2013/2014 Drill Programme Significant Intersections; >1m at >100 g/t Ag

Drillhole ID	From	To	Length (m)	Ag (g/t)
V13-01	26.20	27.20	1.00	1324
V13-05	30.90	33.60	2.70	4386
	34.50	35.40	0.90	136
	36.30	37.40	1.10	139
V13-08	34.20	37.10	2.90	1028
	42.30	44.30	2.00	818
V13-09	67.40	70.50	3.10	1572
V13-10	50.95	51.75	0.80	597
	64.10	67.40	3.30	1158
V13-11	23.35	24.20	0.85	1279
	26.60	27.85	1.25	170
	30.35	31.55	1.20	732
	39.35	41.60	2.25	2899
V13-12	62.30	64.00	1.70	778
V13-13	46.10	49.95	3.85	572
V13-14	73.40	74.60	1.20	759
V13-15	31.10	32.30	1.20	236
	38.40	47.50	9.10	1385
V13-16	63.55	68.50	4.95	181
	66.45	80.50	14.05	1454
	78.30	79.30	1.00	590
	81.30	82.30	1.00	131
V13-17	40.10	46.15	6.05	993
V13-18	72.00	75.90	3.90	1332
V13-19	28.30	29.50	1.20	124
	31.90	36.65	4.75	1698
V13-20	61.70	65.50	3.80	5276
	63.50	71.50	8.00	774
	72.75	73.60	0.85	148
V13-21	38.90	44.95	6.05	2400
V13-22	82.20	86.50	4.30	1456
	84.25	85.90	1.65	3491
	86.75	87.50	0.75	1069
	92.80	93.70	0.90	1143
V13-23	31.90	33.85	1.95	3400

table continues...

Drillhole ID	From	To	Length (m)	Ag (g/t)
V13-24	33.70	35.30	1.60	221
V13-26	68.70	71.60	2.90	1116
	77.15	78.15	1.00	167
	83.10	84.80	1.70	338
V13-27	59.00	61.20	2.20	183
	72.70	77.50	4.80	2402
	80.50	83.50	3.00	96
	81.70	83.00	1.30	117
V13-28	80.00	82.95	2.95	5675
V13-29	71.35	75.25	3.90	784
V13-32	33.90	34.60	0.70	267
V13-34	36.40	41.40	5.00	998
V13-45	60.20	61.70	1.50	200
	63.30	64.50	1.20	325
V13-46	56.50	59.50	3.00	105
V13-47	56.20	56.80	0.60	945
V13-48	56.30	56.90	0.60	2236
V13-50	26.30	27.00	0.70	172
V13-51	59.00	61.80	2.80	745
V13-52	37.30	38.30	1.00	169
V14-01	97.75	98.90	1.15	649
V14-02	85.30	94.50	9.20	228
V14-03	68.60	69.40	0.80	366
V14-04	34.70	42.40	7.70	473
V14-05	73.50	76.50	3.00	362
V14-06	53.15	58.50	5.35	218
VNW14-01	108.40	110.00	1.60	834
VNW14-02	84.80	88.00	3.20	478
VNW14-11	133.80	135.60	1.80	1555
	137.40	142.00	4.60	166
VNW14-12	94.00	95.40	1.40	224

The average and range of true thickness of mineralisation are outlined in Table 10.4.

Table 10.4 Mineralisation Thickness Observed in 2013 Drilling

Measure	True Mineralisation Thickness (m)
Mean	2.8
Maximum	10.8
Minimum	0.2

The average and range of mineralised widths observed in the 2013 drilling are consistent with those observed in previous drilling conducted in the same areas.

The approximate average intercept spacing in the upper parts of the Vertikalny central zone is now 30 m, reducing to circa 50 m at depth.

10.1.1 DRILLING METHODS

All of the 2013/14 drilling was completed using diamond coring techniques, with the majority completed using Boart Longyear rigs, and the remainder using a Russian SKB 5 rig.

Figure 10.1 and Figure 10.2 show typical drill setups. The Boart Longyear rigs collar at HQ (63.5 mm) diameter and reduce to NQ (47.6 mm) at around 40 m. The Russian drill rig collars with 112 mm diameter core reducing at about 6 m to 93 mm and then to 76 mm where required. The Russian rig drills dry. The Boart Longyear rigs have an established water line and drilling mud is used to maintain core recovery. Core recovery is measured and recorded by Silver Bear geologists and was found to be excellent for both the Boart Longyear and the Russian SKB 5 rig.

Figure 10.1 Drilling at Vertikalny in 2011



Source: Silver Bear.

Figure 10.2 Drilling at Vertikalny in November 2013



Source: Tetra Tech.

For the drilling programmes at Vertikalny, the core containing mineralised intersections were split in half by core saw or trowel as appropriate and then sampled. The weight of the core samples range from approximately 2 to 4 kg.

10.2 DOWN HOLE DIRECTIONAL SURVEY METHODOLOGY

For the Boart Longyear drill rig, surveys were undertaken using a Reflex 'EZ-shot'[™] single shot down hole survey tool that is operated by the driller. Measurements were taken every 25 m for the first 100 m and at 50 m intervals thereafter. Readings are recorded on paper slips that are delivered to the Project geologist on a daily basis. The azimuth is recorded as magnetic and this is corrected by the appropriate declination. The measurements are recorded in the drillhole database and the drill logs. Copies are kept by the contractor.

For the Russian drill rig, down hole surveys are conducted using an inclinometer at 20 m intervals.

10.3 DRILLHOLE COLLAR SURVEY METHODOLOGY

The Project Geologist and drill foreman co-operate to prepare all drill sites prior to the drill moves. The surveyor is directly responsible to the Project geologist.

From 2011 onwards, the previous method of chain survey was replaced by the use of Precision Point Differential Global Positioning Systems (DGPS), with the

establishment of control points and a survey network. All drillhole collars and trench locations have been re-surveyed using the DGPS. Correlation with the previous survey was very good. All surveys are reported in Universal Transverse Mercator (UTM) World Geodetic System (WGS) 84, Northern Zone 52.

10.4 DRILL CORE HANDLING PROTOCOL

Core is transferred at the drill site to deep, un-lidded, wooden core boxes. The drill crew are initially responsible for reassembly of the core. It is noted that not all of the artificial breaks created to fit the core in the boxes are marked. The core is not orientated.

A summary log is completed in the field at the drilling site that identifies the main lithologies and mineralised zone(s).

Drill core is transported to the core sheds from the drill site, where it is washed to remove any drill solute as required. The core is laid out in the purpose built work area for logging. The pieces of core inside each box are arranged sequentially in order to restore them as far as possible to their original sequence. The core is then measured and the box labelled. Labelling includes marking of start and end depths by box and drilled intervals on core dividers and on the box end using indelible pen, together with a metal tag recording the same information. All measurements are made in metres.

10.4.1 LOGGING

Silver Bear has a standardised system of logging, which includes the following information:

- summary log:
 - hole location and survey details
 - narrative summary of hole
 - summary of mineralised interval(s).
- simple geotechnical log
 - measurement of core recovery
 - fracture counts
 - rock quality designation (RQD) measurement
 - fracture orientation.

DETAILED LOG

Prior to 2013, holes were logged to scale on standard logging sheets, recording lithological unit intervals with a strip log and rock code assigned according to a standard scheme, free description, sampled intervals, sample numbers and sample standard reference number as appropriate. For the 2013 and 2014 drill campaigns, logging was completed electronically into a laptop using Geospark Core Database System™ (Geospark).

It is noted that the lithological codes used for the various campaigns are inconsistent and that some retrospective grouping is required to develop a standardised database. The lithology codes are currently being standardised to avoid this issue in future.

The core is marked for sampling during logging. The geologist marks the end of each sample with a red/orange marker on the core and on the core box divider. One half of a pair of uniquely numbered sample tickets is attached to the core box at the start of the sample.

Once geological logging is complete the core is photographed. Each box is photographed in daylight, both wet and dry. Each photograph includes a clearly labelled card with the drillhole number marked on it and a metric scale shown. Photographs are reviewed prior to core cutting. The photographs are stored using the general nomenclature of <hole number>_<box_start_depth><W or D>.jpg.

10.5 AREA SPECIFIC SAMPLING DISCUSSION

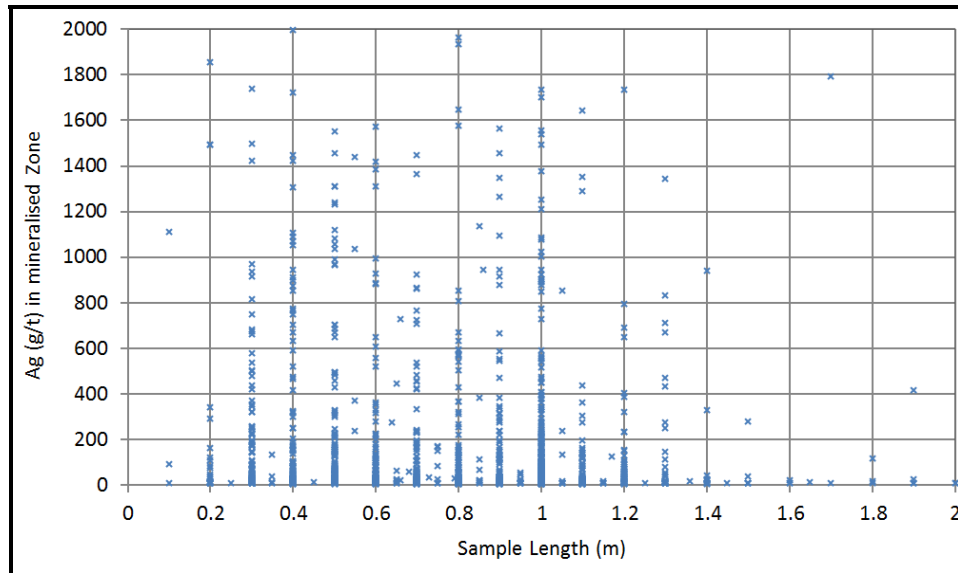
10.5.1 VERTIKALNY

Core was either cut in half by diamond rock saw, or where the core is soft, half is removed using a spatula, in order that material is not washed away by the cutting process. The cut half of core is returned to the box as a permanent record. Where a field duplicate sample is to be taken the core is quartered. The geologist then bags up each sample, inserting the pair of sample tickets into the bag and writing the sample number on the outside of the bag. The geologist delivers the samples to the sample preparation facility located by the core shed.

On completion of logging and sampling the boxes are stored and arranged sequentially.

Figure 10.3 illustrates that there is no correlation between sample length and grade.

Figure 10.3 Silver Grade versus Sampled Length



Source: Tetra Tech.

The Vertikalny structure can be identified during logging, therefore any intersection of the structure may contain a variety of lower and higher grade intervals. During the 2011 and 2012 campaigns, sampling was undertaken according to a nominal 1 m standard sample length with non-mineralised material sampled at either end of the mineralised intersections. In 2013 and 2014, the sampling was based upon logging intervals, however, systematic 1 m samples of non-mineralised material was sampled at either end of the mineralised intersections as in previous campaigns.

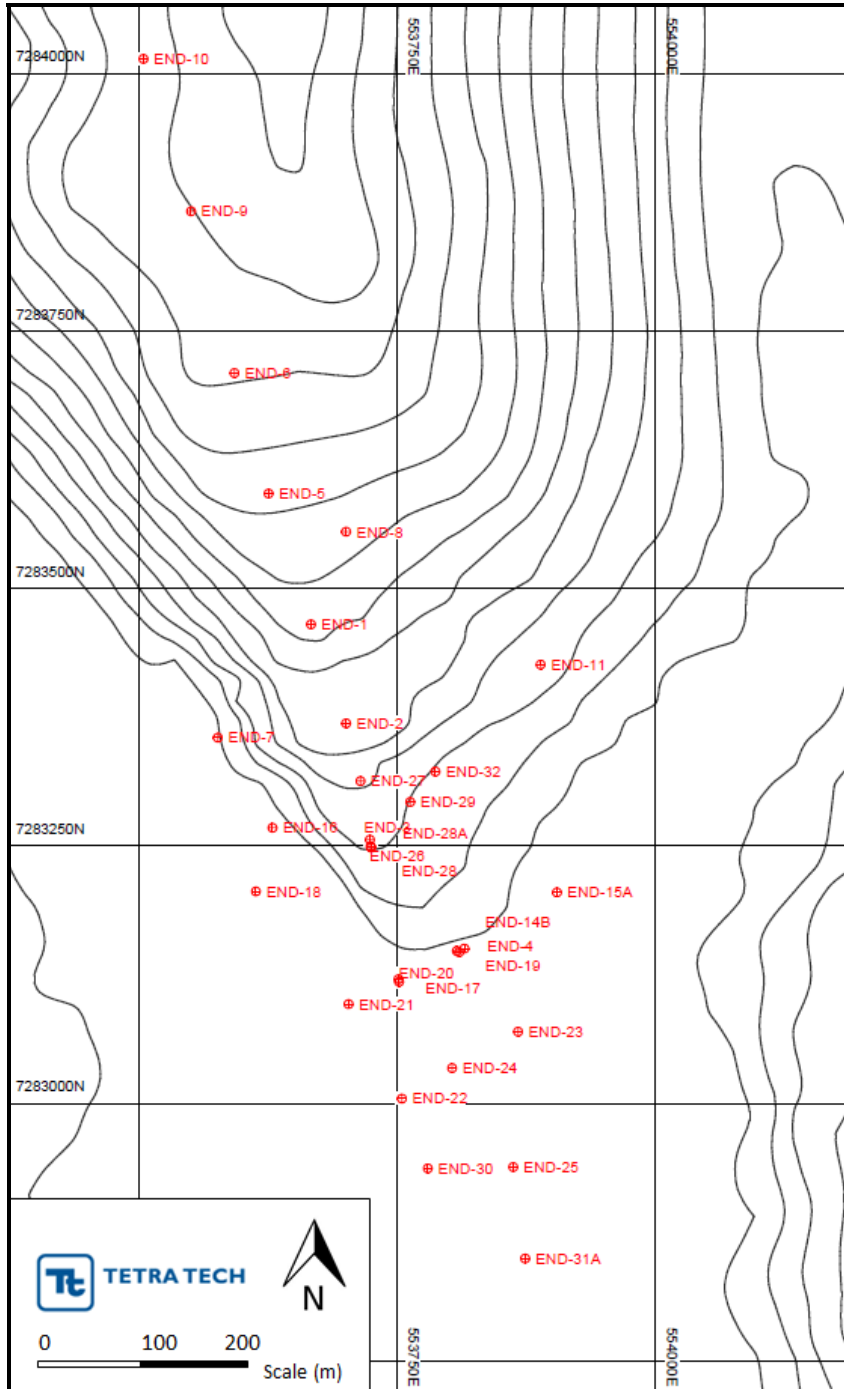
10.5.2 NIZHNY ENDYBAL

Because of the friable nature of the silver bearing minerals at Nizhny Endybal, the core was not sawn and the whole core sent for analysis. Examples of mineralisation in the core have been retained at site for verification purposes.

The sampling at Nizhny Endybal has generally been based upon uniform 1 m sample lengths.

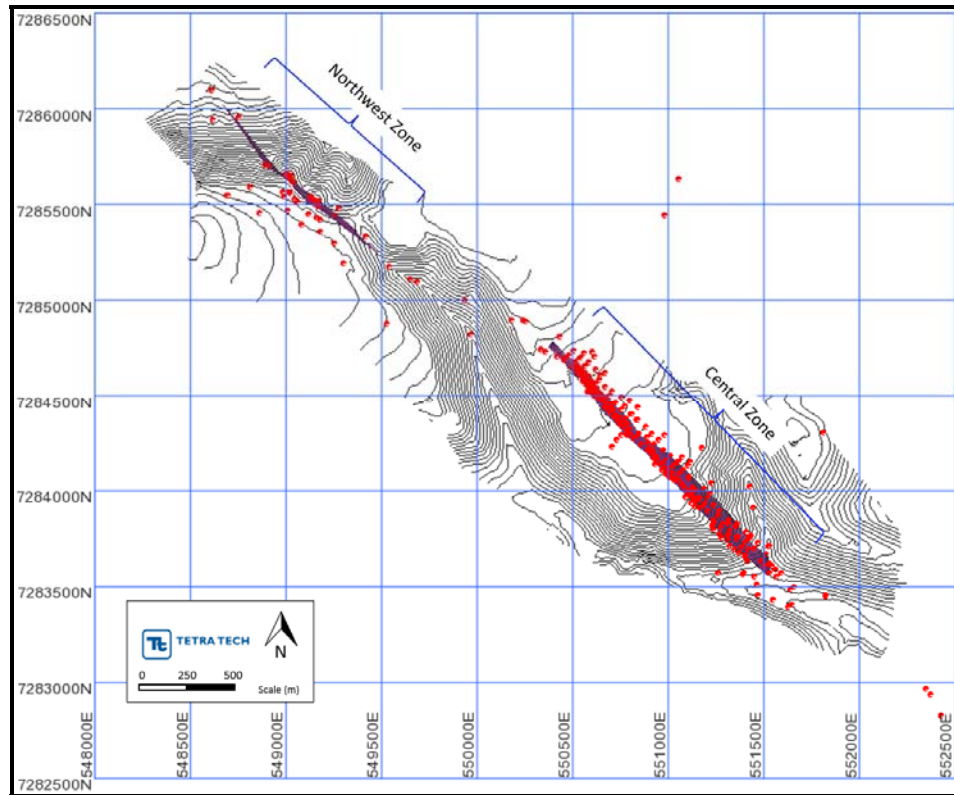
Drillhole collar locations for holes drilled at Nizhny Endybal and Vertikalny are presented in Figure 10.4 and Figure 10.5.

Figure 10.4 Nizhny Endybal Drillhole Collar Locations



Source: Tetra Tech.

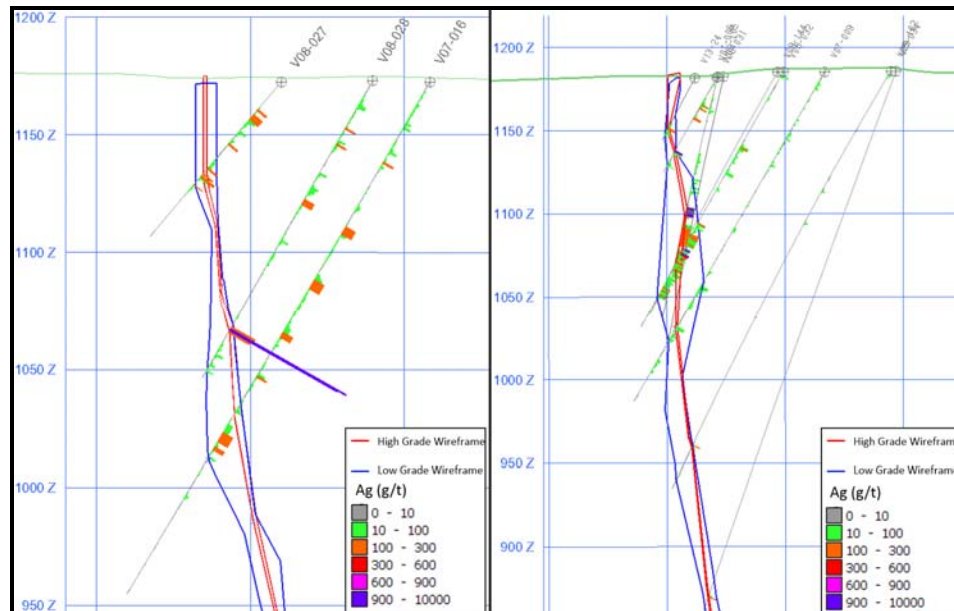
Figure 10.5 Drillhole Collar Locations and Mineralisation



Source: Tetra Tech.

Figure 10.6 presents a representative drill section through the Central Zone of the Vertikalny deposit.

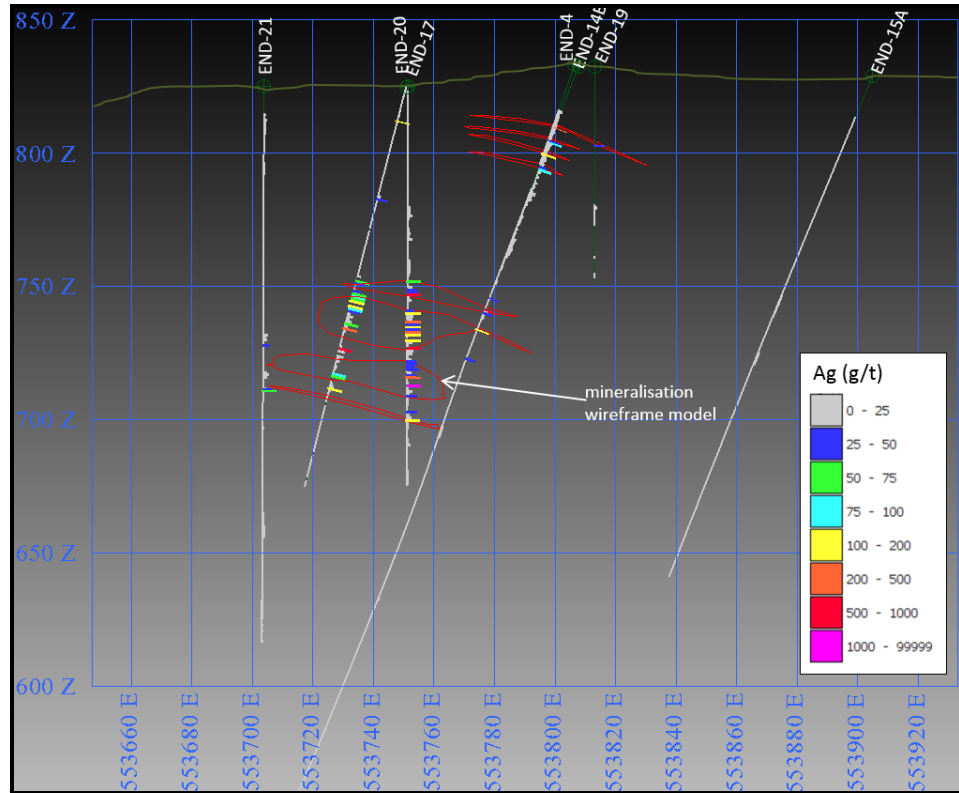
Figure 10.6 Section through the Central Zone of Vertikalny



Source: Tetra Tech.

Figure 10.7 presents a representative drill section through the central area of the Nizhny Endybal deposit.

Figure 10.7 Section through the Central Area of Nizhny Endybal



Source: Tetra Tech.

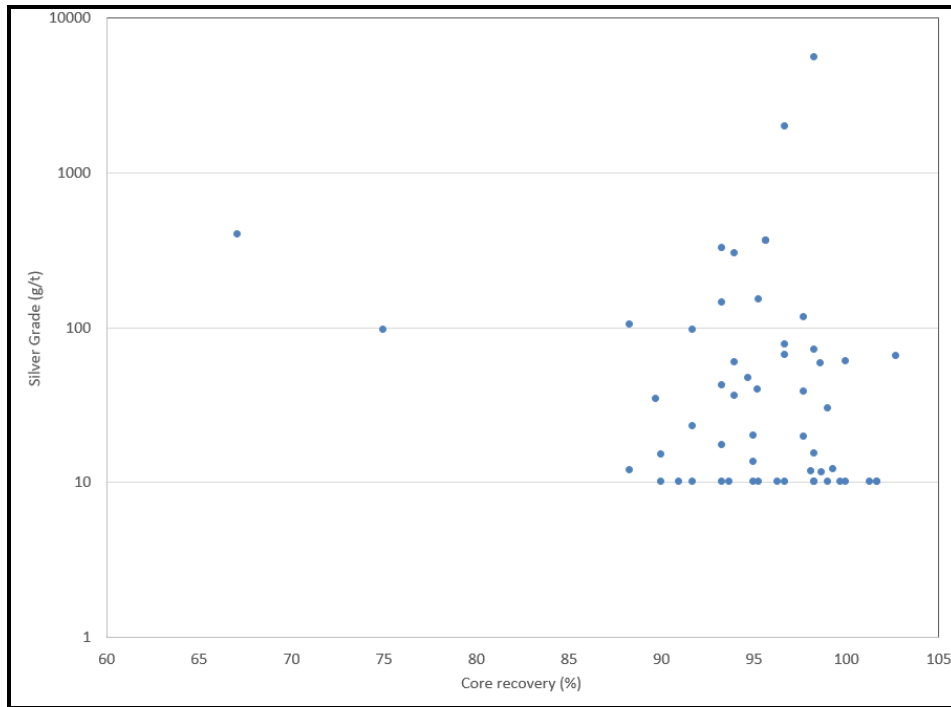
The Vertikalny mineralised zone is dominated by a series of brecciation events and probable subsequent fault movement within the host rocks. As a result, the presentation of the mineralised zone varies from solid cylinders of core through to highly broken, soft gouge type material.

Observation of the Vertikalny good mineralised zones indicates that even in the broken and soft areas core recovery is, averaging approximately 95%. Decreased recovery has occurred in a small number of mineralised intervals. Drilling muds and polymers were used to enhance recovery. Figure 10.8 shows that there is no correlation between recovery and silver grade.

At Nizhny Endybal, the majority of the sequence comprises competent siltstones and sandstones with only occasional structurally disturbed areas containing brecciated material.

No correlation between grade and recovery has historically been observed at Nizhny Endybal. Good drill core recoveries have been recorded throughout the campaigns completed at Nizhny Endybal, averaging 98%.

Figure 10.8 Silver Grade Plotted Against Core Recovery – 2013/2014 Drillholes



Source: Tetra Tech.

10.6 TETRA TECH OPINION

Some inconsistencies were noted within the drillhole database and procedures and systems are being put in place to circumvent similar occurrences in future. In Tetra Tech’s opinion, the inconsistencies do not represent a material risk to the robustness of the resource estimate.

Tetra Tech is of the opinion that the drilling has been generally been completed using methods and procedures that are consistent with recognised industry practices and that the data is adequate for resource estimation.

11.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

This section summarises the sampling and sample preparation methodology adopted by Silver Bear during their various exploration programmes. Prior to 2007, the sample preparation, analyses, and security were conducted according to Russian GKZ Standards.

The general approaches and methodologies are consistent for all of the targets across the Property, with the exception of specific components which are described separately for each area in Sections 11.1.4 and 11.1.5.

Training of Russian geologists and support staff in sampling procedures is carried out by Silver Bear.

11.1 SAMPLE PREPARATION AND ANALYSES

Upon completion of logging and sampling, paperwork outlining the regime for analysis was prepared from the geological log. Silver Bear operates its own sample preparation laboratory where samples are crushed and milled (Figure 11.1).

Figure 11.1 Crushing Equipment in Silver Bear’s On-site Sample Preparation Facilities



Source: Tetra Tech

Samples were crushed and milled to greater than 85% passing 1 mm, before quartering to produce a 1 kg sample. Final milling is carried out at the assaying

laboratory ALS Chemex in Chita, Russia, where the material was reduced to 85% passing 75 µm.

Sample trays are vacuum cleaned post jaw crushing. The jaw crusher operator clears all sample material from the crusher and brushes off the crusher apron and top of the jaws. After the jaw crushing, the sample tray is thoroughly brushed out. No crushing of samples was conducted during the site visit; therefore, no vacuuming of this tray was observed. Blank material is run through the crushers after every 10 samples, or after every sample if designated for fire assay. Currently, there is no compressed air available to blow out dust from the crushers. It is strongly recommended that an air compressor be introduced to thoroughly clean all sample preparation equipment.

The crushed sample is systematically mixed on a metal-surfaced table using flat blades, and then manually quartered using a steel quadrant device (Figure 11.2).

Figure 11.2 Sample Splitting Apparatus in Silver Bear’s On-site Sample Preparation Facilities



Source: Tetra Tech

The operator then takes an approximately equal scoop from each quarter to fill the required sample bags. The sample bags are weighed by the operator to ensure that a sufficient sample is taken. The remaining (reject) sample is retained if the sample is designated for fire assay (Figure 11.3). Other reject material is currently not retained, but it is recommended that all reject material be kept in the future. The table is thoroughly brushed off between samples. Compressed air is also recommended to clean the table for this stage of preparation.

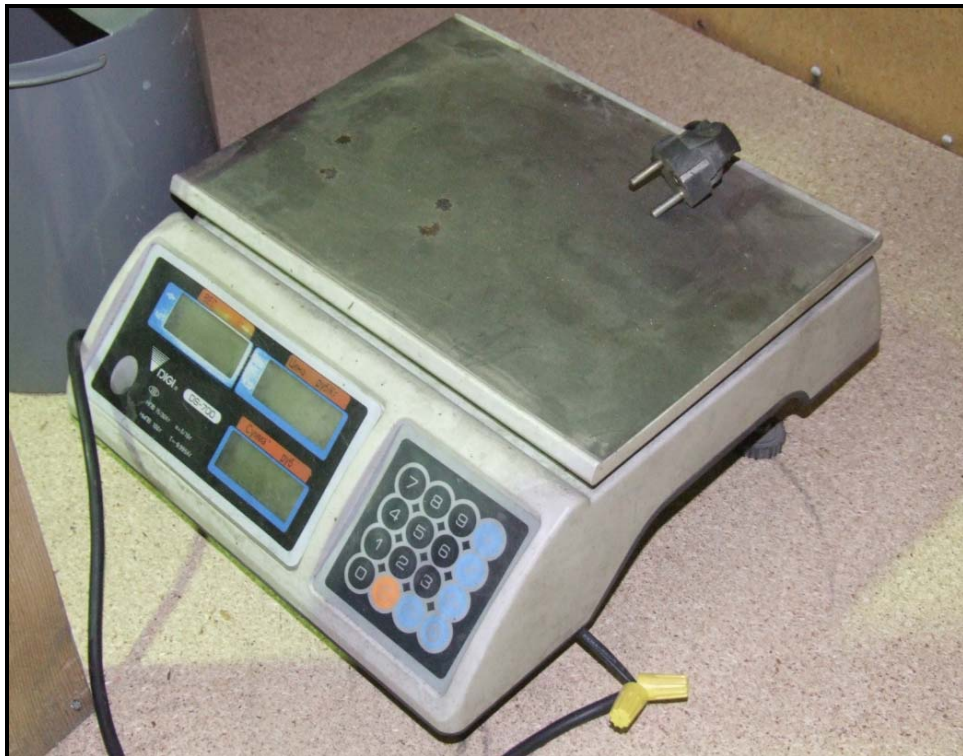
Figure 11.3 Coarse Reject Store Shed



Source: Tetra Tech

The samples are sealed and accurately weighed, and the weight is recorded on the sampling list (Figure 11.4). Samples for analysis are boxed and sealed, usually in batches by drillhole, for despatch to the laboratory concerned.

Figure 11.4 Weighing Scales in Silver Bear’s On-site Sample Preparation Facilities



Source: Tetra Tech

Boxed samples are checked against the sample list and a despatch note. The exact sequence of sample numbers is listed as to the order in which the samples are to be processed at the laboratory. This includes how the samples are to be processed, even if the numbers are not sequential. Chain of custody documentation and a copy of the instructions is sent to the laboratory.

11.1.1 LABORATORIES

Prior to 2011, analysis was carried out at Russian certified Chemical Laboratory of the State Enterprise Aldangeologiya (Aldan Lab), located in Yakutia, Russia.

Analysis for 2012, 2013, 2014, and 2015 campaigns were completed by International Organization for Standardization (ISO)/International Electrotechnical Commission (IEC) 17025 accredited laboratory ALS Chemex in Chita, Russia.

Both laboratories are wholly-independent of Silver Bear.

11.1.2 ASSAYING

Prior to 2011, the samples sent for fire assay were analysed in duplicate for silver. All samples were sent for fire assay. Samples with significant silver grades, determined from spectral analysis were also analysed for silver, copper, lead, and zinc using atomic absorption (AA). Samples sent for spectral analysis were analysed for 36 elements, including tin, lithium, titanium, cobalt, mercury, and vanadium.

From 2011 onwards, analyses were completed using a four acid sample digestion of 0.25 g, followed by inductively coupled plasma (ICP) finish and reporting of 33 elements (laboratory code ME-ICP62). Where values of silver, lead or zinc exceeded the respective upper detection limits, further four acid digestion analyses were carried out of 0.4 g, followed by ICP finish (laboratory code ME-OG62). Where values of silver exceeded the upper detection limit for ME-OG62 (1,500 g/t), a 50 g sample was taken for fire assay analyses with a gravimetric finish (laboratory code Ag-GRA22).

A selection of the samples was identified by the Prognoz geologists for gold assaying. This was undertaken via fire assaying with an AA finish using a 50 g sample (laboratory code Au-AA24).

Retained samples (duplicates and rejects) are boxed by drillhole number and stored in a locked container at the Endybal site. Analytical results are received electronically and updated in the drillhole database.

Assay certificates are submitted in electronic and hard copy form to the Project geologists.

11.1.3 QUALITY ASSURANCE/QUALITY CONTROL

Since 2007, Silver Bear has employed an industry standard quality assurance (QA)/quality control (QC) programme, which includes chain of custody protocols, as well as systematic submittals of standards, duplicates, and blank samples into the flow of samples sent for assaying. Prior to 2007 the sampling procedures were

consistent with the requirements of the Russian GKZ system. No sample results prior to 2007 have been used in estimating the current Mineral Resource.

A continuous sample numbering system has been adopted by Silver Bear, which does not differentiate control samples. Sample numbering is defined by the geologist for each hole as part of the sampling plan. ALS Chemex also reported its own standards, duplicates, and blanks.

11.1.4 VERTIKALNY QA/QC

Since 2007, the Vertikalny exploration programmes have included the submission of 1,147 QA/QC samples, along with 15,189 regular samples.

VERTIKALNY BLANKS

Blank samples are created from local non-mineralised rock and processed in the on-site sample preparation laboratory. Blank material is stored on the ground outside of the sample preparation laboratory.

Blank material was broken up with a hammer and placed into a sample bag. Blank samples were then inserted in numerical order into the sequence for preparation. Since 2007, 285 blank samples have been analysed at Vertikalny. Of those 285 samples, 21 were found to be out of range.

Further analysis has shown that the performance of the blanks was poorer within higher-grade intersections (greater than 100 g/t silver), which could indicate that there was some contamination. It is noted, however, that the number of blanks submitted within the higher-grade intersections is low; therefore, statistical significance cannot be established.

Further analysis was carried out to determine whether blank sample failure was due to contamination, or because of substandard original blank material. The analysis was completed by comparing the poorly performing blanks against the three samples that preceded them through the sample preparation process. No obvious indication was found that could link the poorly performing blanks to the samples that were processed immediately before. Therefore, it was concluded that the blank material probably contained minor mineralisation, and it is recommended that the material used for blank samples is re-examined or replaced by material known not to carry any target mineralisation. Commercially-sourced certified blank material would be recommended to eliminate any possibility of minor mineralisation. It is also recommended that the sample preparation apparatus is flushed with a quartz sand wash between samples.

Blank samples have also been independently assessed for each campaign, and were found to be well within acceptable limits.

VERTIKALNY STANDARDS

Since 2007, a total of 524 standard reference samples have been submitted for analysis as part of the Vertikalny exploration. The SRMs were sourced from Geostats Pty Ltd, who are based in Perth.

The standard reference materials used and the number of times they were submitted are outlined in Table 11.1.

Table 11.1 Standard Reference Materials used in the Vertikalny Exploration

Standard	No. of Submissions	Ag Value (g/t)	Standard Deviation Ag	Number of Failures*	Failure Rate (%)
GBM 906-6	196	389.7	21.1	12	6
GBM 303-1	2	1419.6	73.5	0	0
GBM 909-11	16	25.5	1.7	0	0
GBM 909-13	2	127.3	6.8	0	0
GBM 310-16	6	314.3	14.9	0	0
GBM 997-4	142	287.9	38.2	6	4
GBM 998-9	160	101.2	4.8	11	7
Total	524	-	-	29	6

Note: *failure defined as assay result falling outside of two standard deviations.

It is noted that the only high-grade silver standards used was GBM303-1, and this standard has only been submitted twice.

Tetra Tech notes, that for standard GBM 906-6, the average level of results reported is lower than the stated reference value for the standard. Furthermore, while only one value falls outside a standard deviation of +2, many more fall below a standard deviation of -2. This variability does not appear to be related to any single factor. Possible reasons for this may include grain size related factors (this is one of the highest grade silver standards available), or the matrix of the standard could preclude 100% digestion, thus making the actual value of the standard slightly lower than the accepted value. Notwithstanding this, the standard samples performed well with acceptable limits.

No failures were reported for the following standards:

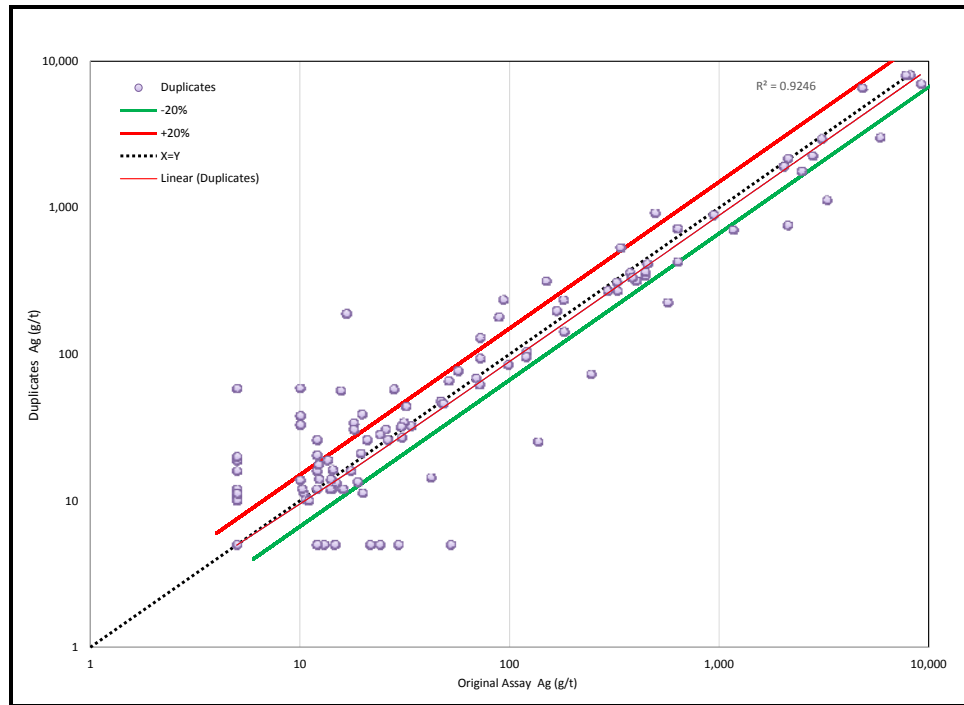
- GBM 310-16
- GBM 909-13
- GBM 909-11
- GBM 303-1.

Standard reference samples have also been independently assessed for each campaign, and were found to be well within acceptable limits.

PROJECT DUPLICATES

Between 2007 and 2014, 338 duplicates were submitted as part of the Vertikalny exploration programs. The data ranges from less than 10 g/t through to greater than 8,000 g/t. Overall, the data show good levels of precision and repeatability, with a slope of regression of 0.92. The data suggest an improvement as the grade increases. Many of the duplicates falling outside of $\pm 20\%$ difference envelope are at lower grades less than 100 g/t. There are also indications of duplicate swapping within the 7 to 50 g/t range (Figure 11.5).

Figure 11.5 Duplicate Chart for Vertikalny Exploration data



Field duplicates have also been examined on a campaign by campaign basis, and show similar results with respect to precision and repeatability.

ALS Chemex also submit laboratory duplicates as part of their internal QA/QC programme. The analysis of the laboratory duplicate data shows good compliance, with excellent precision and repeatability.

11.1.5 NIZHNY ENDYBAL QA/QC

The Nizhny Endybal exploration campaigns were completed during the 2005, 2011, and 2012 field seasons. The QA/QC data associated with the 2005 campaign are no longer available; however, drillholes completed during the 2011 and 2012 campaigns were twinned with 2005 holes to validate the information. The 2005, 2011, and 2012 drillhole data was used in estimating the current Inferred Mineral Resource. As part of the 2011/2012 exploration campaigns 607 QA/QC samples were submitted, along with 2,752 regular samples.

NIZHNY ENDYBAL BLANKS

Blank samples are created from local non-mineralised rock and processed in the on-site sample preparation laboratory. Blank material is stored on the ground outside of the sample preparation laboratory.

Blank material was broken up with a hammer and placed into a sample bag. Blank samples were then inserted in numerical order into the sequence for preparation. During the 2011/2012, 107 blank samples were analysed at Nizhny Endybal. Of those 107 samples, 3 were found to be out of range.

The three failures presented low silver grades of 1.9, 3.3, and 6.2 g/t. Overall, the blank performance was found to be acceptable.

Blank samples have also been independently assessed for each campaign, and were found to be well within acceptable limits.

NIZHNY ENDYBAL STANDARDS

As part of the Nizhny Endybal exploration during 2011 and 2012, 192 standards were submitted for analysis. The standard reference materials used and the number of times they were submitted are outlined in Table 11.2.

Table 11.2 Standard Reference Materials used in the Nizhny Endybal Exploration During 2011 and 2012

Standard	No. of Submissions	Ag Value (g/t)	Standard Deviation Ag	Number of Failures*	Failure Rate (%)
GBM 906-6	81	389.7	21.1	5	6
GBM 909-11	46	25.5	1.7	0	0
GBM 997-4	2	287.9	38.2	0	0
GBM 998-9	64	101.2	4.8	2	3
Total	193	-	-	7	4

Note: *failure defined as assay result falling outside of two standard deviations.

It is noted that the overall average silver grades are lower at Nizhny Endybal than Vertikalny, and that the range of standard samples used are appropriate.

No failures were reported for the following standards:

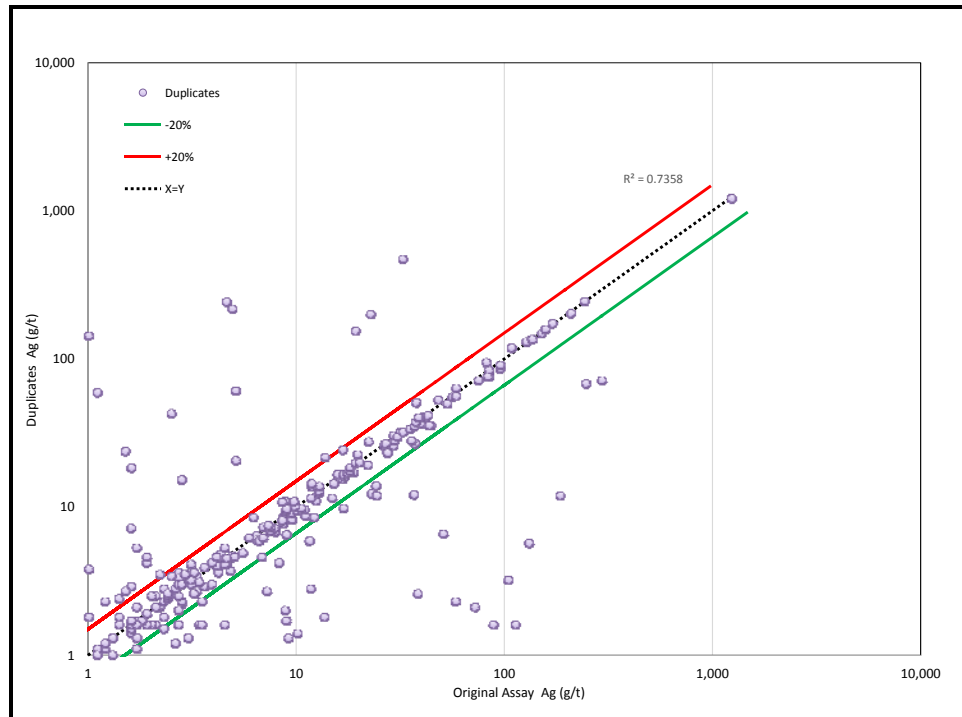
- GBM 909-11
- GBM 997-4

Standard samples have also been independently assessed for each campaign and were found to be well within acceptable limits.

PROJECT DUPLICATES

As part of the Nizhny Endybal exploration campaigns in 2011 and 2012, 307 duplicates were submitted. The data ranges from less than 10 g/t through to greater than 1,200 g/t. Overall, the data shows adequate levels of precision and repeatability, with a slope of regression of 0.74 (Figure 11.6).

Figure 11.6 Nizhny Endybal Duplicate Chart



Field duplicates have also been examined on a campaign by campaign basis and show similar results with respect to precision and repeatability.

ALS Chemex also submit laboratory duplicates as part of their internal QA/QC programme. The analysis of the laboratory duplicate data shows good compliance, with excellent precision and repeatability.

INTER-LABORATORY COMPARISON

As of the effective date of this report, no data was available in relation to comparative laboratory testing.

11.2 SECURITY

The remote nature of the Property means that general site security is straightforward.

Silver Bear has implemented adequate systems in relation to sample security during transport and on-site storage and handling, with satisfactory chain of custody documentation and procedures.

Database security is maintained through a limited number of personnel having access to the database. One staff member is responsible for the transfer of assay results to the drillhole database in the office in Yakutsk. The database is password protected on a backed-up network drive.

11.3 TETRA TECH OPINION

While certain aspects of the QA/QC programme are not well executed, they are acceptable, and do not show any particular trends or patterns which would suggest any systemic or procedural issues. The QA/QC programme conducted by Silver Bear is appropriate and meets industry standards.

In Tetra Tech's opinion, the sample preparation, security, and analytical procedures are acceptable and the data can be relied upon for resource estimation.

12.0 DATA VERIFICATION

12.1 SUMMARY

The following steps have been taken to verify the data used to prepare the new resource estimate for the Vertikalny deposits:

- site visits, to inspect exploration activities
- office based verification of assay records against original certificates and validation of drillhole database.

12.2 TETRA TECH SITE VISITS

Tetra Tech has conducted several site inspections over that last four years. The most recent site visit was performed by Mr. Paul Daigle, P.Geo., Senior Geologist, in July 2014.

In November 2013, a site visit was made during the 2013 drill program by Mr. Rob Davies, a Senior Geologist for Tetra Tech.

12.2.1 TETRA TECH, JULY 2014

Mr. Daigle conducted the site visit to the Property between 23 and 25 July, 2014 for three days. At the time of the visit, drilling on Vertikalny was complete and the drill program had been moved to the Mangazeisky North project area.

The site visit included an inspection of the Hogan base camp, core logging and core storage facilities, drill core sampling preparation, and sample rejects storage facilities. The Vertikalny project site and drill collar locations were inspected on this visit.

Mr. Daigle was accompanied on the site visit by the following personnel:

- Mr. Nick Vassenine, Project Manager for Silver Bear
- Mrs. Lillia Vassenina, Field Technician for Silver Bear
- Mr. Sergei Kraushkin, Chief Geologist for Prognoz.

It should be noted that the site visit included the inspection of the Mangazeisky North project site, where an exploration drill program was in progress. This report does not include this project and is only mentioned here for completeness.

12.2.2 DRILLHOLE LOCATIONS

The locations of several drillholes were measured for comparison with coordinates provided by Silver Bear. Drillhole collar locations were verified using a hand-held global positioning system (GPS); Garmin™ GPSmap 62s. The collar locations were found to be consistent with the digital rights management (DRM) survey data, given GPS unit accuracy, the X and Y coordinates are within ± 5 m in X and Y (Table 12.1).

Drillholes were marked by logs stuck into the drillhole. The logs were marked with an aluminium tag bearing the drillhole number. Recent drillholes were marked with the drillhole number in permanent marker.

At the time of the site visit, the drill program on Vertikalny was completed, but was still in progress on the Mangazeisky North deposit with one drill completing the final drillholes for the Property. Drill sites were left tidy and clear of debris.

Table 12.1 Verified Drillhole Collar Coordinates (UTM WGS 84, Zone 36 J)

Drillhole/Trench Name	Silver Bear		Tetra Tech		ΔX (m)	ΔY (m)
	X (m)	Y (m)	X (m)	Y (m)		
Vertikalny Centre						
V08-080	551473.0	7283730.0	551471.3	7283730.9	-1.7	0.9
V09-145	551357.0	7283824.0	551356.4	7283822.5	-0.6	-1.5
V13-48	551085.0	7284015.0	551085.0	7284016.0	0.0	1.0
V13-48	551083.0	7284016.0	551085.0	7284016.0	2.0	0.0
V14-05	551185.0	7283932.0	551186.7	7283930.6	1.7	-1.4
V14-06	551181.0	7283924.0	551180.4	7283923.6	-0.6	-0.4
Vertikalny Northwest						
V09-116	549129.0	7285542.0	549130.9	7285540.9	1.9	-1.1
VNW14-01	548980.0	7285572.0	548984.1	7285570.3	4.1	-1.7
VNW14-02	549019.0	7285563.0	549020.8	7285560.7	1.8	-2.3
VNW14-07	549145.0	7285525.0	549144.0	7285525.8	-1.0	0.8
VNW14-08	549171.0	7285515.0	549171.1	7285517.0	0.1	2.0
VNW14-09	549159.0	7285504.0	549160.4	7285505.9	1.4	1.9
VNW14-10	549171.0	7285487.0	549169.7	7285492.3	-1.3	5.3
VNW14-11	549155.0	7285433.0	549156.8	7285434.1	1.8	1.1
VNW14-12	549176.0	7285421.0	549178.3	7285423.9	2.3	2.9
VNW14-13	549060.0	7285515.0	549062.2	7285514.5	2.2	-0.5
VNW14-14	549037.0	7285535.0	549040.8	7285532.9	3.8	-2.1

Note: *Drillhole collar survey was unavailable at the time of writing.

12.2.3 CORE LOGGING AND SAMPLING

Upon receipt of all core boxes from any one drillhole, the core boxes were brought in and laid out on the core logging tables. Drill core was then aligned; geotechnical logging was carried out first followed by geological core logging. Core logging was carried out or supervised by Nick Vassenine. Logging was either directly entered into the computer (GeoSpark database) or hand written and then transcribed into the GeoSpark database. Core logging was mainly done in English and translated into

Russian by Mrs. Vassenina. If logging was carried out by the Russian geologists, it was later translated into English by Mrs. Vassenina.

Sample intervals were marked in red and white grease pencil. Mineralized zones were bracketed above and below by at least three 1-m sample intervals. Sample tags were inserted at the beginning of the sample interval.

Core boxes were then affixed with an aluminium tag with the drillhole number, interval of core, and box number and photographed. Core boxes with sample tags were marked by blue or white flagging tape stapled to the side of the box and then stacked next to the sampling facility. The other core boxes were stacked, by drillhole, under the core storage shelters.

The logging facility was kept clean and tidy and had sufficient lighting (Figure 12.1).

Figure 12.1 Core Logging Facilities



CORE SAMPLES

Core splitting and sampling was carried out in batches as each drillhole, or series of drillholes, was completed. Sample intervals were selected based upon observations of lithology/mineralogy through mineralized intercepts, generally with three systematic samples taken before and after mineralization. Systematic samples were 1 m in length.

Sampling and QA/QC procedures were in place. Standards, duplicates and blanks were inserted at regular intervals. Drill core was split by pneumatic splitter Figure 12.2 where one half was placed in the sample bag with the sample tag and the other half was returned to the core box for storage.

CORE SAMPLE PREPARATION FACILITIES

The following equipment was inspected (Figure 12.2):

- pneumatic splitter
- two diamond saws
- two jaw crushers
- roller crusher
- sample dryer
- sample splitter.

No sample preparation activities were carried out during the site visit. Sample preparation and equipment was kept reasonably clean and tidy.

Figure 12.2 Sample Preparation Equipment



STORAGE OF CORE, COARSE REJECTS AND SAMPLE PULPS

All storage facilities at the Hogan base camp were inspected. Drill core from 2013 and 2014 drill programs was stored under covered shelters adjacent to the core logging and sample preparation facilities. The core boxes were stacked by drillhole number. A new storage shelter was under construction at the time of the site visit. Core storage area was clean and tidy (Figure 12.3).

Figure 12.3 Outdoor Core Storage Facilities; Current and New Core Storage Facilities



All sample pulps from the 2013 and 2014 drill programs was stored on site at the Hogan base camp. A new storage facility was constructed adjacent to the current pulp storage facility (Figure 12.4). All sample pulps were stacked on sturdy wooden shelves by drillhole number.

Figure 12.4 Sample Pulp Storage Facilities; Current and New Storage Facilities



12.3 OFFICE BASED DATA VERIFICATION

12.3.1 ASSAY CERTIFICATES

Silver Bear provided Tetra Tech with signed portable document format (.pdf) assay certificates for the 2013/2014 campaigns.

Tetra Tech checked 10% of the assay certificates against the values contained within the database. No errors were encountered.

12.3.2 DATABASE VALIDATION

The drillhole and trench database was provided to Tetra Tech as a series of Microsoft Excel® .csv files. On import of the records into Surpac, Tetra Tech validated the database to identify incorrectly entered or inconsistent data, including interval overlaps. Any errors were communicated to Silver Bear for review and correction.

Survey errors were noted within the trench data, where a small number of trench surveys were found to be beneath the topographic survey or significantly above. Trenches with significant survey errors were omitted during the sample selection and therefore do not impact the estimated resource.

The survey errors have been communicated to Silver Bear and the trenches will be re-surveyed during the coming field season.

12.4 LIMITATIONS OF DATA VERIFICATION

Check samples were not collected during the site visit.

12.5 TETRA TECH OPINION

It is Tetra Tech's opinion that the current exploration activities meet or exceed industry norms.

Sample preparation was not active during the site visit; however, the QA/QC procedures in place are considered adequate for this type of deposit.

13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

This section summarises the metallurgical test work that has been completed to date on mineralised samples from the Vertikalny Central deposit.

13.1 HISTORICAL TEST WORK

Historical investigations were conducted by two organisations: TSNIGRI and GINTSVETMET. The historical test work indicates that highly variable samples were taken and tested for gravity, flotation, and cyanide recovery. The following observations were made from this test work:

- Silver is by far the most significant economic component within the mineralisation.
- The flotation test work indicates that the zinc concentrate produced did not achieve a saleable zinc grade.
- Lead concentrate would require leaching to recover the silver in doré form, prior to shipment off site, due to the isolated plant location and difficult transport logistics, thereby reducing the value of the lead concentrate.

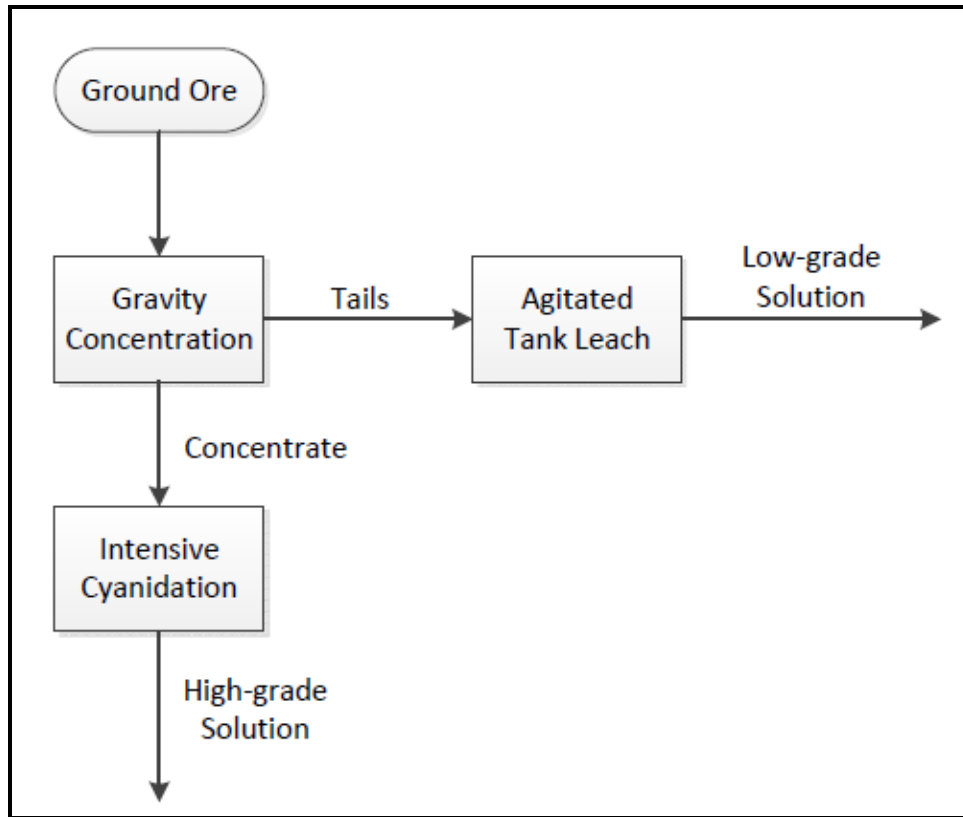
Based on these observations, Tetra Tech proposed a less complex process design that ensures all of the run-of-mine (ROM) feed is leached, ensuring maximum opportunity for silver recovery for the feasibility study test work.

13.2 FEASIBILITY STUDY TEST WORK

As part of the feasibility study, additional metallurgical test work was completed at SGS Vostok. SGS Vostok tested a composite sample that comprised samples collected from dedicated metallurgical drillholes within the Central Zone of the mineralization.

Tetra Tech analysed all the metallurgical test work results, with the objective of identifying the optimal process flowsheet. The metallurgical studies indicate that the mineralization is amenable to gravity concentration and cyanidation, and can be efficiently processed using a gravity and agitated tank leach based flowsheet (Figure 13.1).

Figure 13.1 Conceptual Silver Extraction Block Flow Diagram



Based on the feasibility study metallurgical test work results, the recovery for silver for the proposed flowsheet (Figure 13.1) is estimated at 88.9%.

Additional metallurgical testwork including a variability leach test program is currently underway in Technologies of Mineral Separation (TOMS) Irkutsk. However, the final results of this program is not available at the time of this report.

14.0 MINERAL RESOURCE ESTIMATES

14.1 SUMMARY

Tetra Tech adopted the definition of Mineral Resource as outlined within the CIM Definition Standards on Mineral Resources and Mineral Reserves (CIM 2010).

Tetra Tech completed a new mineral resource estimate for the Vertikalny deposit, with an effective date of 10 February 2015. The most recent data included in the estimate was received on 15 December 2014. The Mineral Resources have been estimated by Mr. Robert Davies, B.Sc., EurGeol, CGeol, an independent QP as defined by NI 43-101.

This section also presents a restatement of the Mineral Resource for the Nizhny Endybal deposit, situated approximately 2.5 km east of the Vertikalny deposit. The effective date of the Nizhny Endybal Mineral Resource is 11 September 2012. Mr. P. Gribble, FIMMM, C.Eng, former Senior Geologist at Tetra Tech is the independent QP who originally prepared the Nizhny Endybal Mineral Resource. Mr. Davies has reviewed and verified the Nizhny Endybal Mineral Resource as current.

Further details of the Nizhny Endybal Mineral Resource, estimated by Tetra Tech in 2012, are publicly available and filed under the Silver Bear profile on the Canadian Security Administrators' SEDAR.

14.1.1 SUMMARY OF ESTIMATION TECHNIQUES

Tetra Tech created wireframes using CAE Datamine Studio 3 software (version 3.24.25) (Datamine) by adapting the previously employed mineralisation wireframing technique to the discovery of a strongly mineralised zone (described in Section 14.2.1). Block modeling and resource estimation were completed in GEOVIA Surpac software (version 6.6.2) (Surpac), and variography was carried out in Supervisor V8 software (Supervisor).

The silver grades for the Vertikalny Central and Northwest zones were estimated using OK interpolation methodology. Density for the Central Zone was estimated using inverse distance weighting squared (IDW²), while density was assigned for the Northwest Zone.

Statistical and grade continuity analyses were completed in order to characterise the mineralisation, and were subsequently used to develop grade interpolation parameters. Grade estimation was completed using OK. The search ellipsoid dimensions and orientations were chosen to reflect the continuity revealed by geostatistical studies. Block size, discretisation, search size, and sample numbers were optimised using QKNA.

Tetra Tech adopted the definition of Mineral Resources as outlined within the CIM Definition Standards on Mineral Resources and Mineral Reserves (CIM 2010) in order to classify the resources.

In order to demonstrate that the deposit has reasonable prospects for economic extraction, a cut-off grade of 335 g/t has been applied for the Vertikalny deposit, based upon the following assumptions:

- spot metal price of US\$17.00/oz silver, effective 9 February 2015
- mining cost of US\$75.00/t
- processing cost of US\$50.00/t
- general and administration costs of US\$40.00/t
- overall silver recovery of 90%.

The Nizhny Endybal Mineral Resource was reported at a 75 g/t cut-off grade based upon the following assumptions:

- open pit mining
- silver price of US\$22.00/oz
- assumed total operating cost of US\$50.00/t.

14.2 DATABASE

Silver Bear provided Tetra Tech with its drilling and trenching databases, in the form of multiple comma-separated values (.csv) files. These databases include information on trenches and drillholes sampled during the period from 2006 through to the summer 2014. Relevant information includes collar/trench locations, downhole surveys, assay results, lithological logs, geotechnical logs, and density measurements. Topography was provided as a wireframe in digital interchange format (.dxf).

14.3 GEOLOGICAL INTERPRETATION

The Vertikalny deposit is interpreted to be a breccia-hosted, epithermal silver deposit, hosted within a relatively vertical, northwest-southeast trending fault zone. Based on the surrounding deposits and the host rock, it is interpreted that the Vertikalny deposit formed through the re-mobilisation of strata-bound silver-lead-zinc mineralisation, into breccia and vein-hosted high-grade deposits of variably oxidized manganosiderite-sphalerite-galena mineralisation, with silver sulphosalts and native silver.

14.3.1 STRONGLY MINERALISED ZONE

During the logging of the 2013 drilling season, it was noted that within the brecciated/mineralised zone there existed a subset of more strongly mineralised, and hence higher-grade mineralisation. These subset intervals were compared to the assay results and were shown to have a good correlation with the highest-grade

intervals in each logged hole. These observations were applied to drillholes and trenches from earlier campaigns by using silver grades to define the strongly mineralised core within the mineralised zone.

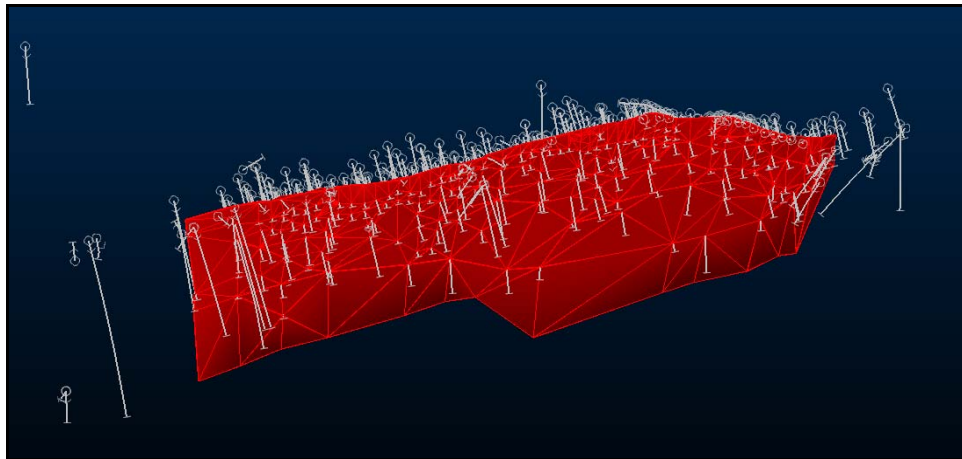
14.4 EXPLORATORY DATA ANALYSIS/DOMAINING

The overall mineralisation wireframe has been subdivided into two domains—a high-grade core and a low-grade halo—based upon exploratory data analysis described herein.

14.4.1 WIREFRAMING

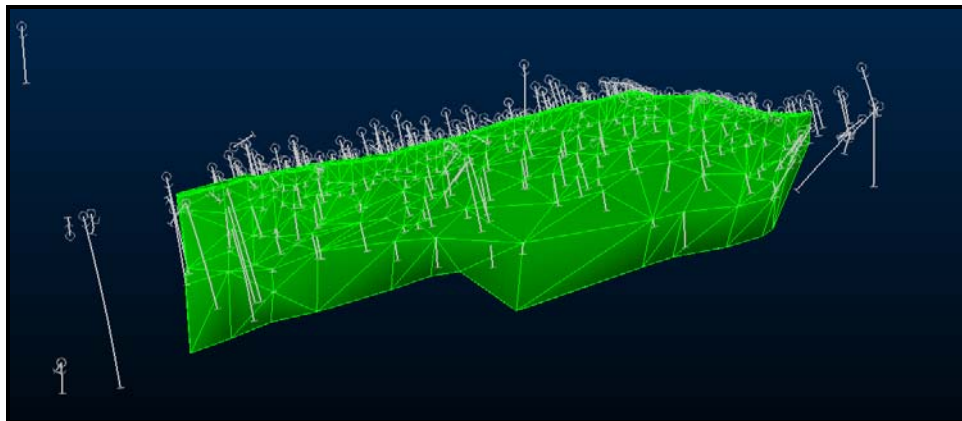
Based on the geological interpretation, wireframes were created for both the strongly-mineralised (high-grade), and generally-mineralised (low-grade) zones at Vertikalny Central, and for the mineralised zone at Vertikalny Northwest. Hanging wall and footwall surfaces were created from data points incorporating grade, lithological, and structural data from the databases provided. Figure 14.1 to Figure 14.3 display the wireframes created for this estimation.

Figure 14.1 Vertikalny Central Zone High-grade Wireframe



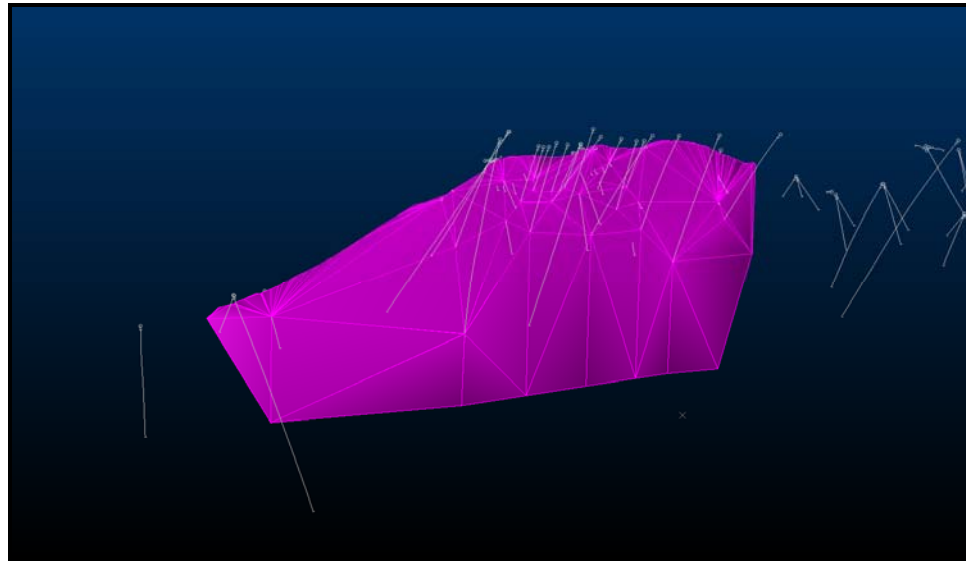
Note: Perspective view looking east.

Figure 14.2 Vertikalny Central Zone Low-grade Wireframe



Note: Perspective view looking east.

Figure 14.3 Vertikalny Northwest Zone Mineralisation Wireframe



Note: Perspective view looking east.

Various statistical analyses of the data were performed, and are documented in this section.

14.4.2 VERTIKALNY RAW DRILL STATS

Tetra Tech received a total of 23,318 assay results, completed by Silver Bear over several drill campaigns between 2007 and 2014. All samples were analysed for silver. In some earlier drill programs, the drill core was analysed only sporadically for lead and zinc, and therefore these elements are not included in the resource estimate.

Table 14.1 presents the statistics for all silver and density data.

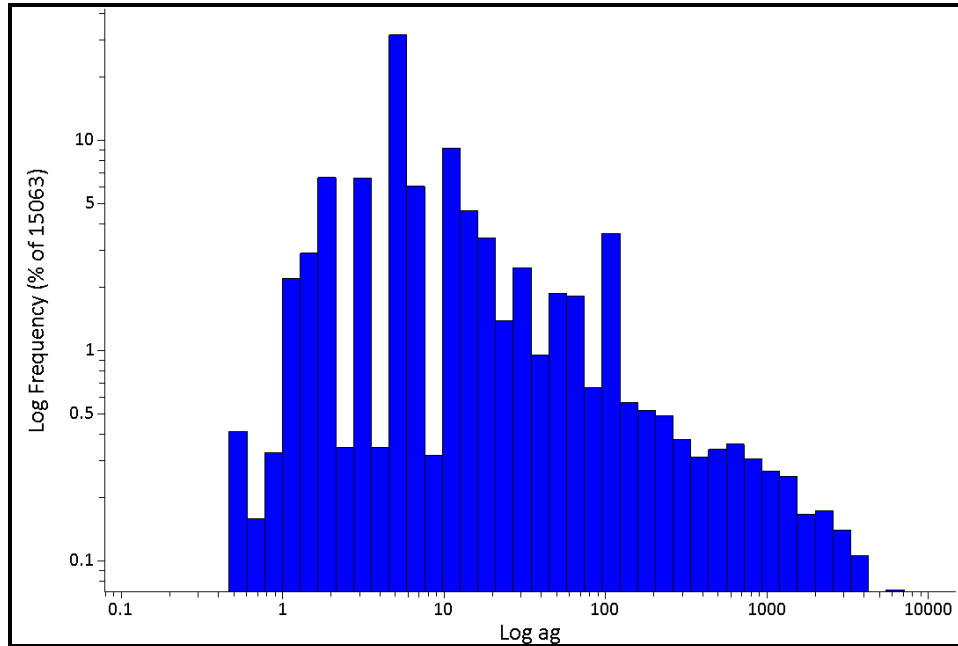
Table 14.1 Raw Drillhole Statistics

Field	Ag Grade (g/t)	SG (t/m ³)
No. of Samples	23,318	402
Minimum	-	2.11
Maximum	13,962	6.49
Range	13,962	4.38
Mean	24.60	2.83
Variance	62,337	0.23
Standard Deviation	249.67	0.48

Note: SG – specific gravity

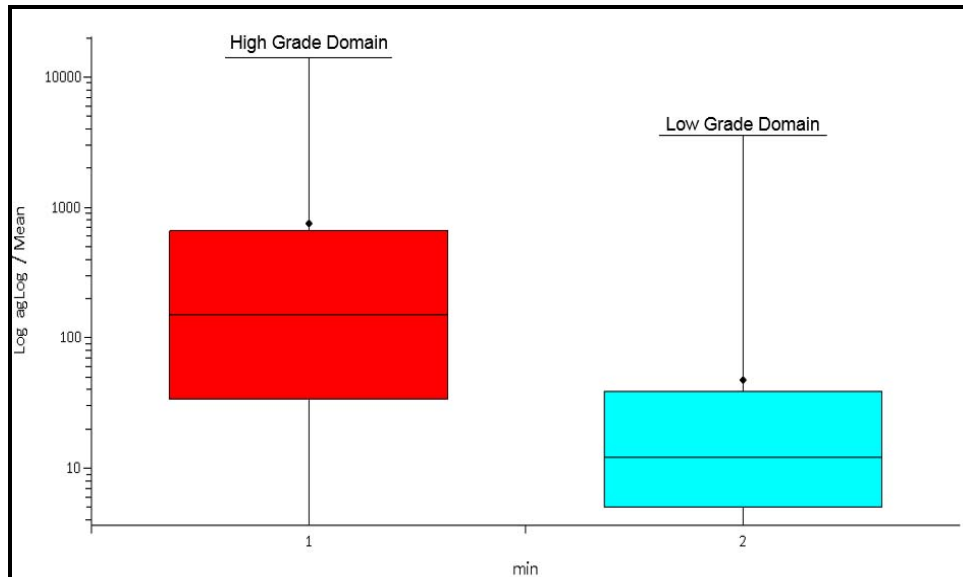
Statistical analysis of raw samples presents multiple grade populations (Figure 14.4). For robust grade interpolation the populations need to be differentiated and estimated independently.

Figure 14.4 Log Histogram of all Raw Samples



The two domains, based on the wireframes presented in Section 14.4.1, successfully differentiates the high grade, low grade, and waste populations. Statistics for the high-grade core and low-grade halo domains are presented in the box and whisker plot in Figure 14.5.

Figure 14.5 Box and Whisker Plot of Selected Raw Samples



The differentiated datasets approximate single log normal populations are shown in Figure 14.6 and Figure 14.7. Some higher-grade samples are still noted within the

low-grade halo; this is likely related to splays to the veins/structures, which are not yet fully modelled.

Figure 14.6 Log Histogram of Selected Raw Samples from High-grade Zone

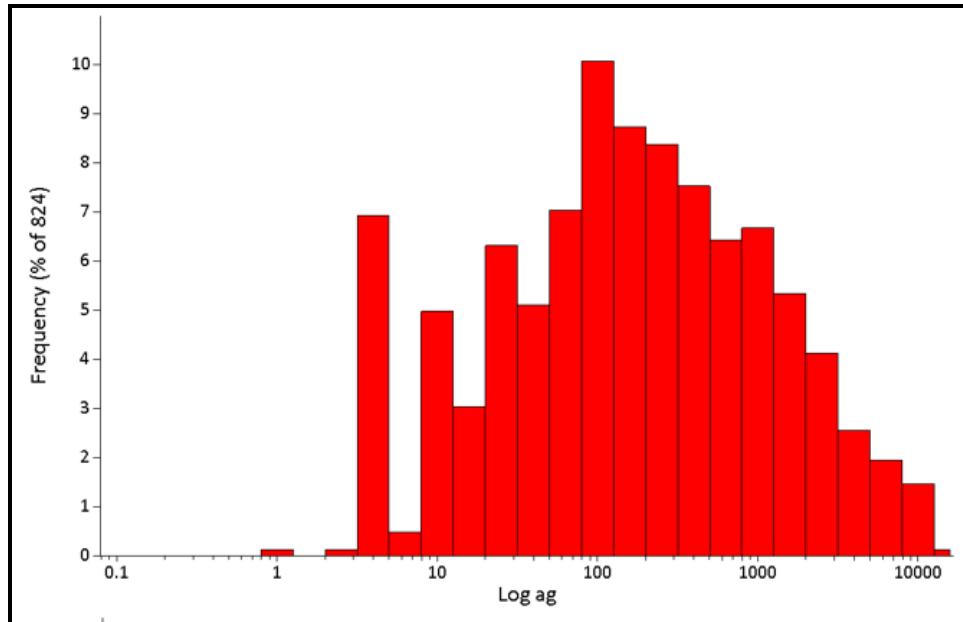


Figure 14.7 Log Histogram of Selected Raw Samples from Low-grade Zone

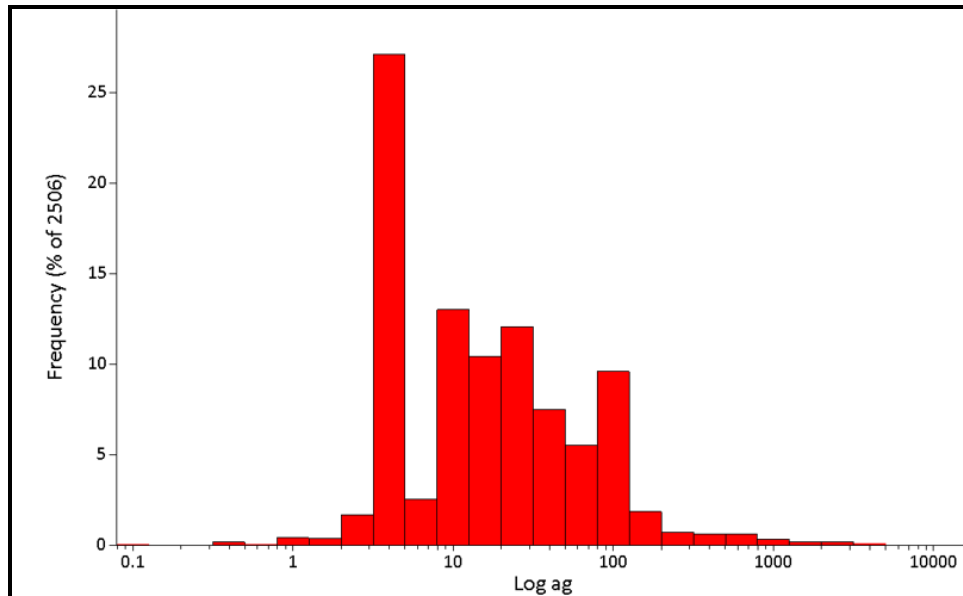


Table 14.2 presents the raw drillhole statistics for the two domains at the Vertikalny Central deposit, and the single Vertikalny Northwest deposit.

Table 14.2 Raw Drillhole Statistics by Domain

Field	Domain					
	Central High Grade		Central Low Grade		Northwest	
	Ag (g/t)	SG (t/m ³)	Ag (g/t)	SG (t/m ³)	Ag (g/t)	SG (t/m ³)
No. of Samples	821	177	3,020	87	228	5
Minimum	-	2.37	-	2.42	-	2.39
Maximum	13,962	6.49	3,582	6.02	2,768	3.22
Range	13,962	4.12	3,582	3.60	2,768	0.83
Mean	758	3.29	40.34	2.92	163.70	2.57
Variance	2,697,246	0.44	28,864	0.24	153,677	0.10
Standard Deviation	1642.3	0.66	169.89	0.49	392.02	0.32

14.4.3 CONTACT PLOTS

Contact plots were created in order to help validate the high-grade and low-grade domains. Figure 14.8 and Figure 14.9 illustrate the contact plots between high grade and low grade, and between low grade and waste domains. The contact plots support the conclusion that the domains represent separate statistical populations, and that they can be differentiated for estimation using hard boundaries.

Figure 14.8 Contact Plot of High Grade vs. Low Grade at Vertikalny Center

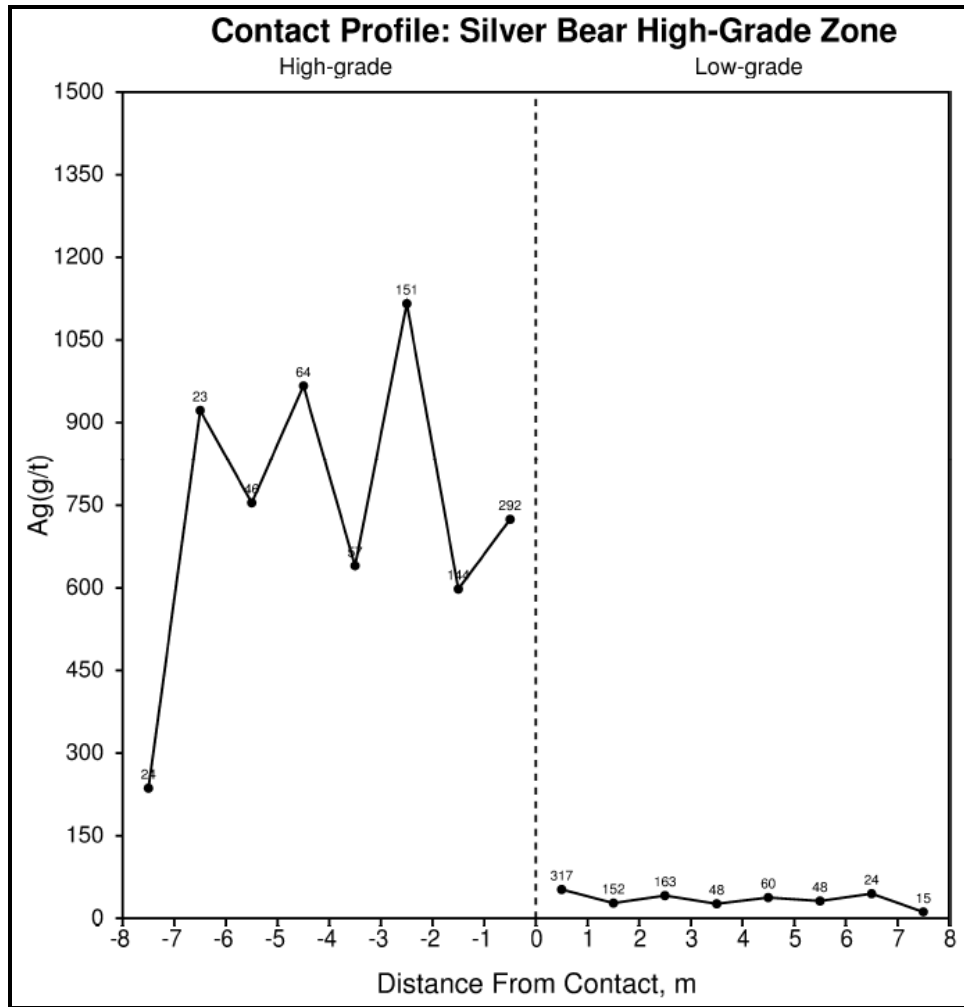
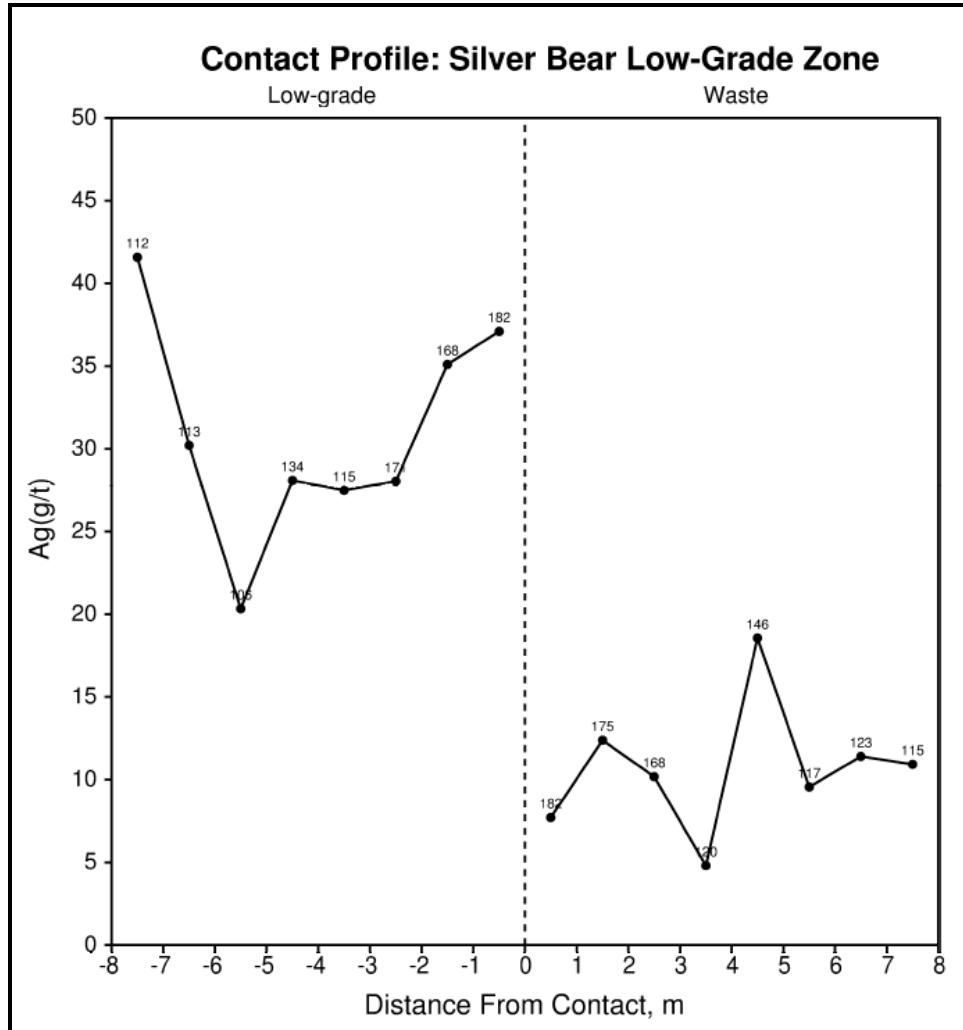


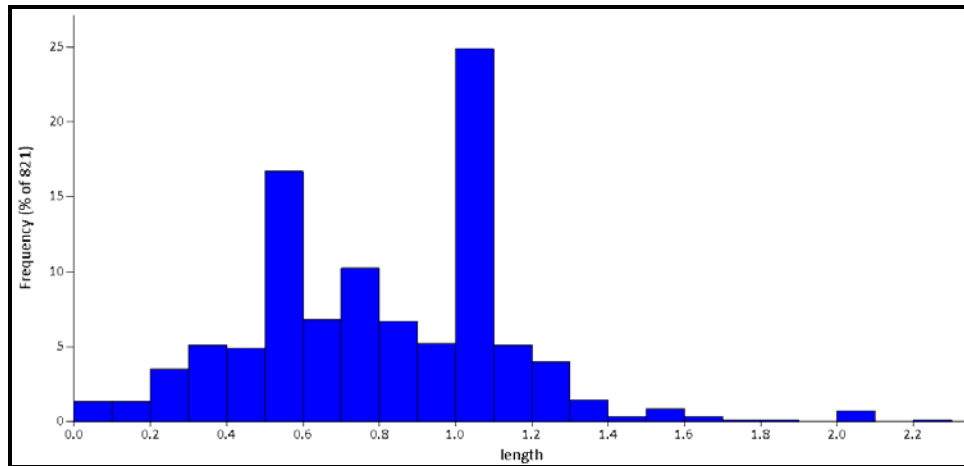
Figure 14.9 Contact Plot of Low Grade vs. Waste at Vertikalny Center



14.4.4 SAMPLE LENGTH AND COMPOSITING

Statistics on the sample lengths were analyzed using a histogram (Figure 14.10), and a length of 1 m was chosen based on its abundance in the sample set. Compositing was completed in Surpac using a 1-m best fit routine, applying hard domain boundaries.

Figure 14.10 Length Histogram for Selected Raw Samples



The compositing routines have been effective in preserving the grade distribution (Figure 14.10). However, the process has reduced the mean silver grade by 11% from 758 to 672 g/t. The reduction in grade is due to the presence of a number of very high-grade samples that have a length of less than 1 m (Figure 14.11). When the high-grade short samples are combined with lower-grade neighbouring samples to create a length weighted average grade over a standard 1-m length, the result is a small overall reduction in silver grade (Table 14.3).

Figure 14.11 Sample Length Plotted Against Silver Grade

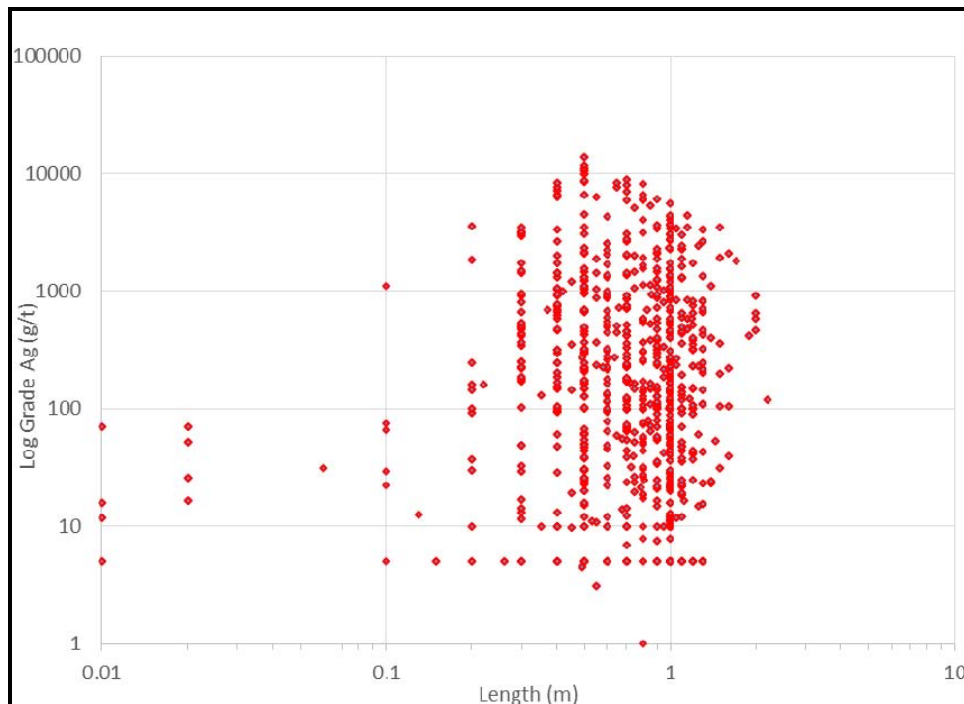


Figure 14.12 Log Histogram of Silver Grades Associated with Selected Raw Samples and 1-m Composites

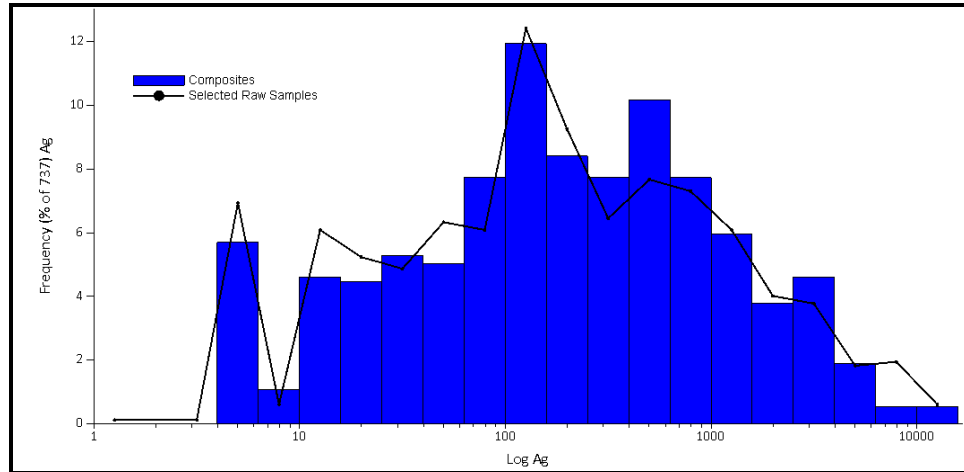


Table 14.3 Table Statistics of Selected Raw Samples and 1-m Composites for High-grade Domain

Measure	Selected Raw Samples Ag (g/t)	1- m Composites Ag (g/t)
Mean	757.7	671.8
Standard Error	57.3	48.8
Median	151.0	169.0
Standard Deviation	1642.3	1324.3
Coefficient of Variation	2.2	2.0
Sample Variance	2,697,246	1,753,797
Kurtosis	19.1	22.6
Skewness	4.0	4.1
Range	13,962	11,915
Minimum	0.0	0.0
Maximum	13,962	11,915
Sum	622,053	495,095
Count	821	737
Confidence Level (95.0%)	112.5	95.8

14.4.5 TOP CUTS

Due to the high-grade nature of the deposit, it was preferable to limit top cutting to avoid smoothing silver values within the true high-grade pockets of mineralisation. Very high grades form a genuine part of the sample population. The raw silver assays for the high-grade domain were analysed using a log probability plot (Figure 14.13), and a mean and variance plot (Figure 14.14) for silver. Two inflection points were noted: one at approximately 6,000 g/t, and one at approximately 10,000 g/t. Compositing was performed prior to top cutting in order to reduce the high-grade burden organically. The 10,000 g/t threshold was chosen and applied to the de-clustered sample file. This top cut only affected four samples.

Figure 14.13 Log Probability Plot for High-grade Domain

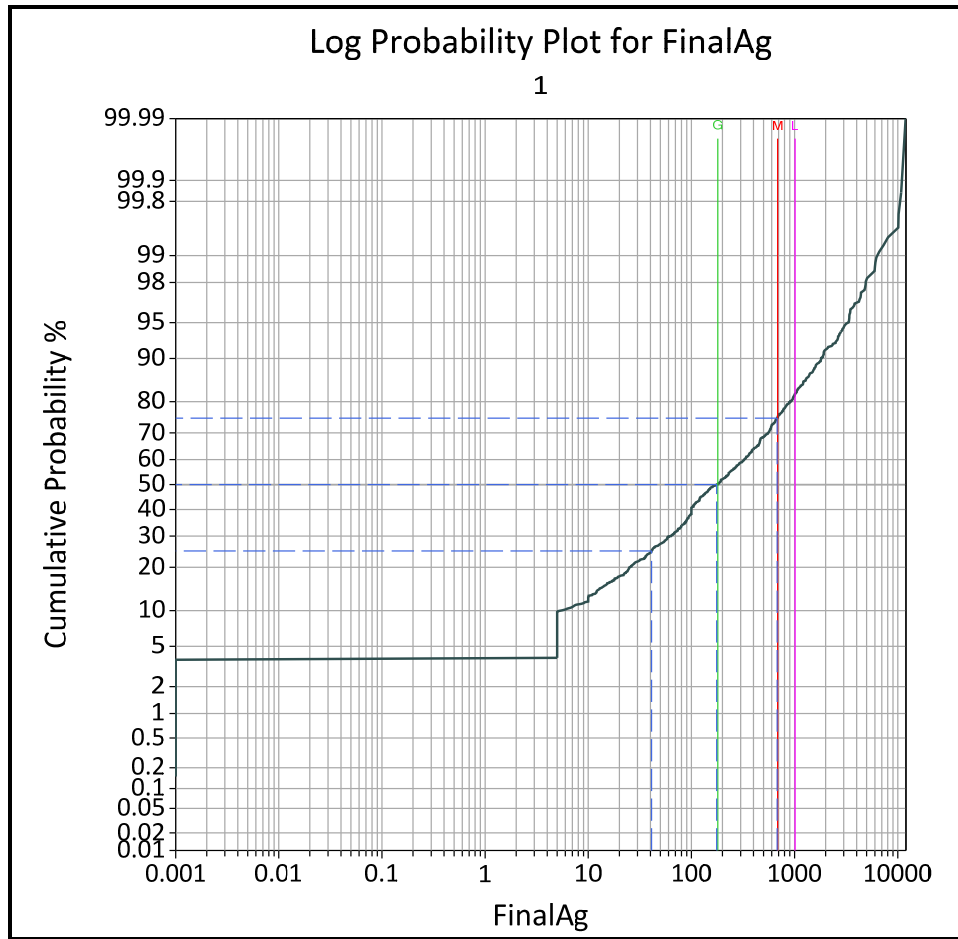
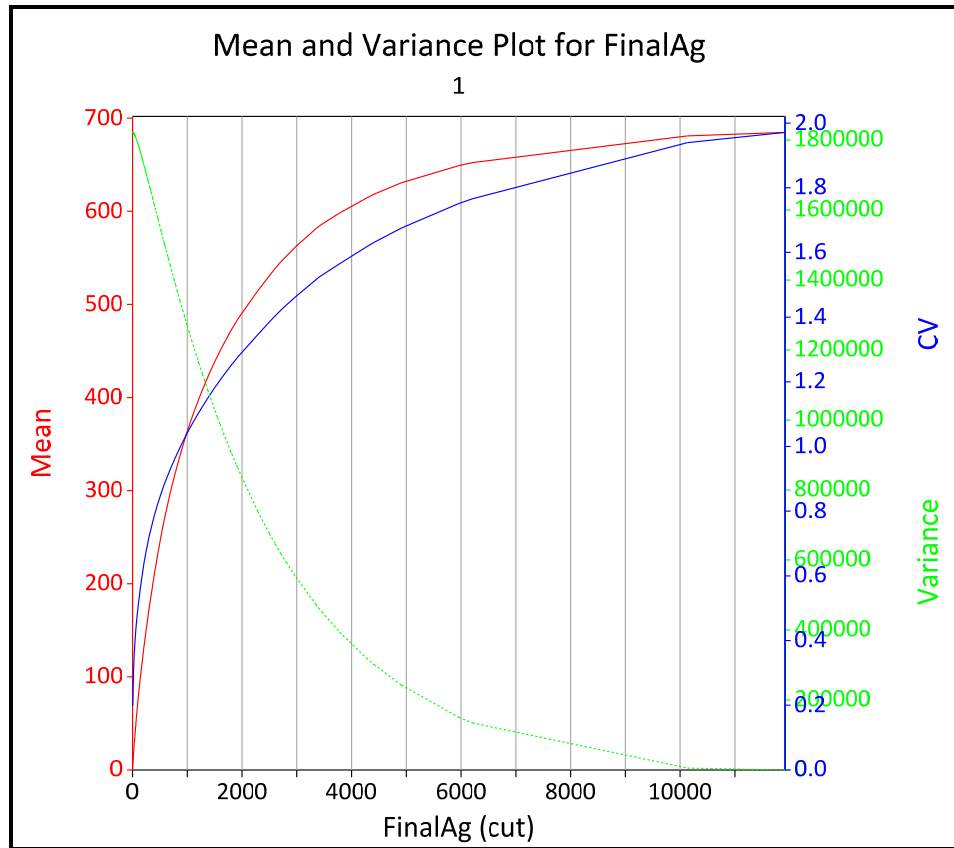


Figure 14.14 Mean and Variance Plot for High-grade Domain



14.5 DENSITY

Specific gravity measurements from selected holes from the 2007 through 2014 drilling programs were provided by Silver Bear. In total, 375 measurements were included in the database, including 269 measurements that fell within either the Central or Northwest zones. Statistics for the density results are in Table 14.2.

Density was estimated into the model for the Central Zone, utilizing the IDW² method. Due to the low number of samples in the Northwest zone, density for that zone was assigned at the average value of 2.57 t/m³.

14.6 VARIOGRAPHY

Variography was completed in Supervisor geostatistical software version 8.1, and in Surpac version 6.6.2. Experimental variograms were produced using drillhole composite data subjected to a normal scores transformation. The transformation categorises the samples into percentiles to present a normal distribution, Variograms were developed in plan view initially, with the strike, dip and plunge established independently thereafter. The nugget value has been established from a downhole variogram.

The modelled variograms were back transformed to ensure that the variogram models reflect the grade distribution rather than the normal scores variability. The modelled structures were used to establish the variogram structures to be utilised within the kriging estimation.

Moderately strong directional control has been established within the silver grade distribution. Table 14.4 presents the variogram parameters used for the estimation.

Table 14.4 Directional Variogram Parameters

Domain	Nugget	Sill 1	Range 1 (m)	Sill 2	Range 2 (m)	Sill 3	Range 3 (m)	Azimuth (°)	Plunge (°)	Dip (°)	Semi-Major ratio
High Grade	0.2	0.18	45	0.62	185	-	-	135	-49	30	2.0
Low Grade	0.2	0.31	11	0.12	37	0.30	70	108	-58	30	1.0
Northwest	0.2	0.12	35	0.68	120	-	-	126	-30	30	2.1

14.7 RESOURCE BLOCK MODELS

Two separate block models were constructed in Surpac, one for the Vertikalny Northwest Zone and a second for the Central zones. The block model parameters are given in Table 14.5 and Table 14.6.

Table 14.5 Vertikalny Central Block Model Parameters

Type	Y	X	Z
Minimum Coordinates	7283260	551380	500
Maximum Coordinates	7285264	551884	1508
User Block Size	12	6	12
Minimum Block Size	1.5	0.375	1.5
Rotation	-45	0	0

Table 14.6 Vertikalny Northwest Block Model Parameters

Type	Y	X	Z
Minimum Coordinates	7284800	549550	500
Maximum Coordinates	7286804	550054	1508
User Block Size	12	6	12
Minimum Block Size	1.5	0.75	1.5
Rotation	-45	0	0

Standardised sub-cell splitting to the minimum block sizes presented in Table 14.5 and Table 14.6 was employed. Sub-cells received parent cell grades during estimation. Table 14.7 presents a comparison of the block model and wireframe volumes.

Table 14.7 Comparison of Block Model and Wireframe Volume

Domain	Wireframe Volume (m ³)	Block Model Volume (m ³)	Difference (%)
Low Grade	6,542,053	6,572,240	0.4600
High Grade	1,349,598	1,351,279	0.0012
Northwest	874,111	874,592	0.0500

14.7.1 INTERPOLATION STRATEGY

Grades were estimated using OK, adopting a multi-pass methodology. The kriging employed the variogram parameters as presented in Section 14.6. Each of the domains was estimated independently.

QKNA was used to optimise the block size, the number of informing samples, discretisation, and search distances used in the estimation.

Quantitative measures of the kriging performance (e.g. slope of regression, kriging efficiency, kriging variance, block variance, proportion of negative weights) were used to test the appropriateness and optimise the kriging parameters. The analysis was carried out on large representative portions of the block model, as well as on isolated test blocks. Where test blocks were used, these were chosen as examples of one well informed block and one poorly informed block.

The estimation parameters were defined for Vertikalny Central and then applied to both the Central and Northwest zones. A summary of the estimation strategy is shown in Table 14.8.

Table 14.8 Estimation Parameters

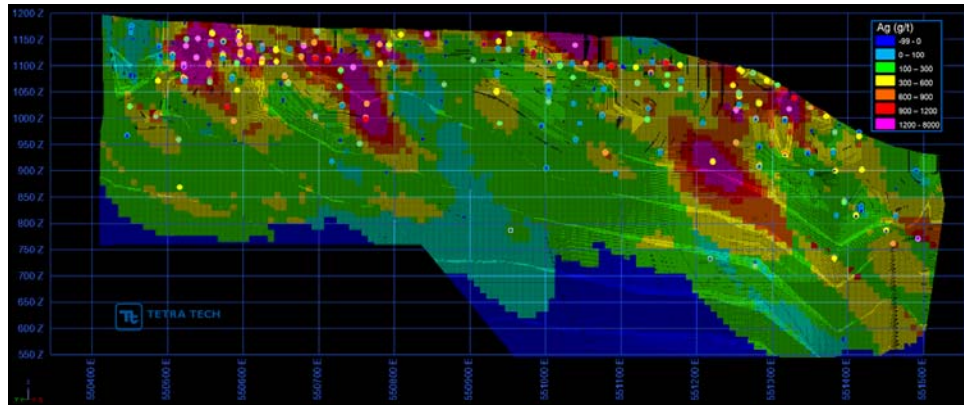
Estimation Pass	Minimum Samples	Maximum Samples	Major Search Distance	Maximum Composites per ID	Discretisation
1	15	40	122	2	3 x 3 x 3
2	15	40	185	2	3 x 3 x 3
3	3	10	240	2	3 x 3 x 3

14.8 BLOCK MODEL VALIDATION

Block model validation was completed using graphical and statistical methods, to confirm that the estimated block model grades appropriately reflect the local composite grades.

Graphical analysis of the informing samples versus estimated block grades was completed using long sections (Figure 14.15 and Figure 14.16).

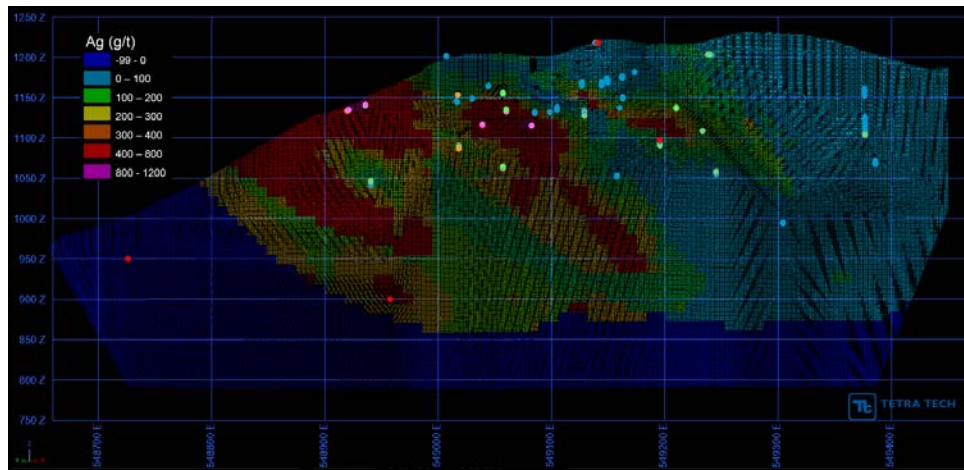
Figure 14.15 Long Section Showing Composites and Estimated Block Grades for Vertikalny Central



Note: Vertical gridlines at 50 m; horizontal gridlines at 100 m
Looking northeast

The visual inspection demonstrated excellent correlation between composite and block grades, with the anisotropic directionality noted in the variography reflected in the grade distribution.

Figure 14.16 Long Section Showing Composites and Estimated Block Grades for Vertikalny Northwest



Note: Vertical gridlines at 50 m; horizontal gridlines at 100 m
Looking northeast

A comparison was made between the informing composites and the estimated block grades using a range of statistical measures. Table 14.9 presents a comparison between the informing 1-m composites and the estimated block grades for the Indicated Resource blocks within Vertikalny Central.

Table 14.9 Statistics Comparing Block Estimate and Composite Grades

Measure	Capped 1-m Composites Ag (g/t)	Block Model Ag (g/t)
Mean	667.6	609.8
Standard Error	47.6	1.3
Median	169.0	406.6
Standard Deviation	1292.3	637.9
Coefficient of Variation	1.9	1.0
Sample Variance	1,669,970	406,958
Kurtosis	19.1	17.5
Skewness	3.9	3.4
Range	10,000	7,059
Minimum	0.0	2.4
Maximum	10,000	7,062
Sum	492,024	139,514,738
Count	737	228,769
Confidence Level (95.0%)	93.5	2.6

Notes: Table 14.9 assesses Vertikalny Central Indicated Resource blocks only.

A number of the measures indicate a reduction in variance. This is a result of the change of support associated with the estimation process and the kriging interpolation. There is a reduction in the mean silver grade from composites to block estimate due to the de-clustering effect of the OK. Overall, the statistics present good conformance.

14.8.1 SWATH PLOTS

Swath plots have been used to assess the differences and similarities between the OK block estimate silver grade and the informing composite grades (Figure 14.17 and Figure 14.18).

Figure 14.17 Northing Swath Plot Comparing the Informing Composite and the OK Estimated Silver Grades for Vertikalny Central

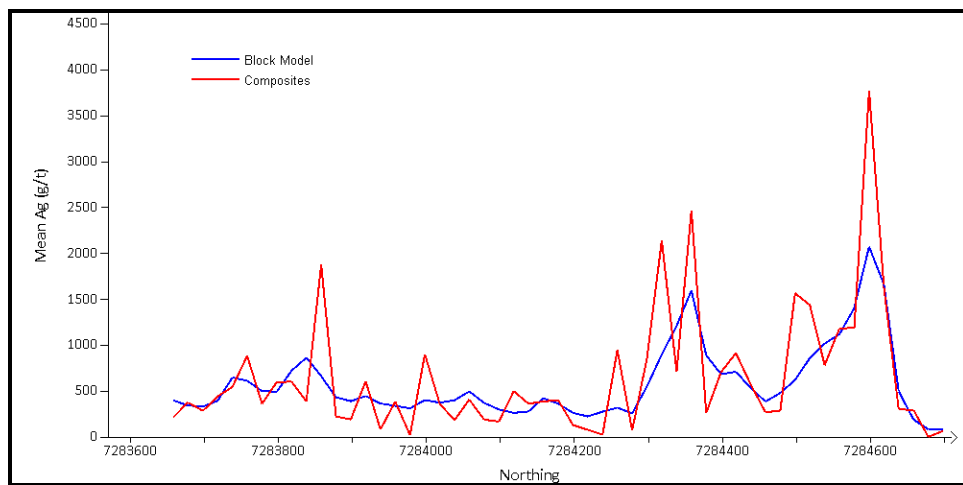
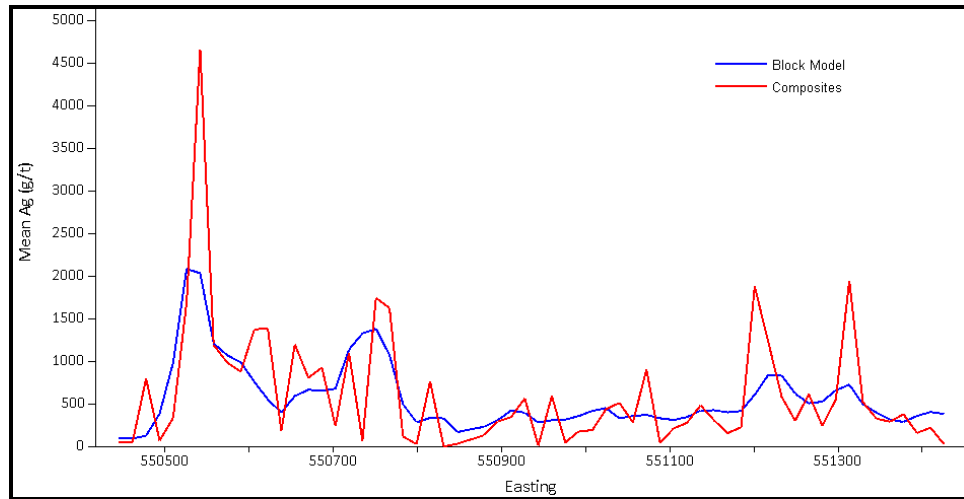


Figure 14.18 Easting Swath Plot Comparing the Informing Composite and the OK Estimated Silver Grades for Vertikalny Central



The swath plots present good conformance between informing composites and estimated block grades.

14.8.2 CONCLUSION

The various comparators described in the foregoing subsections serve to illustrate that the block model estimate is robust and satisfactorily models the distribution and variability of the informing sample grades without undue bias or smoothing. It is suitable for the current level of study.

14.9 MINERAL RESOURCE CLASSIFICATION

The resource model was classified according to CIM Definition Standards on Mineral Resources and Mineral Reserves (CIM 2010).

A large proportion of the Mineral Resource within Vertikalny Central has been classified as Indicated. In this part of the deposit the nature, quality, amount, and distribution of data are such as to allow confident interpretation of the geological framework, and to assume continuity of mineralisation. Confidence in the estimate is sufficient to allow application of modifying factors within future technical and economic studies.

The remaining Mineral Resource, and all of the Vertikalny Northwest Mineral Resource are classified as Inferred. The mineralisation has been identified and limited measurements and sampling completed, but the data is insufficient to allow the geological and grade continuity to be confidently interpreted. It would be reasonable to expect that the majority of Inferred Mineral Resources would be upgraded to Indicated Mineral Resources with continued exploration; however, due to the uncertainty of Inferred Mineral Resources it should not be assumed that such upgrading will always occur.

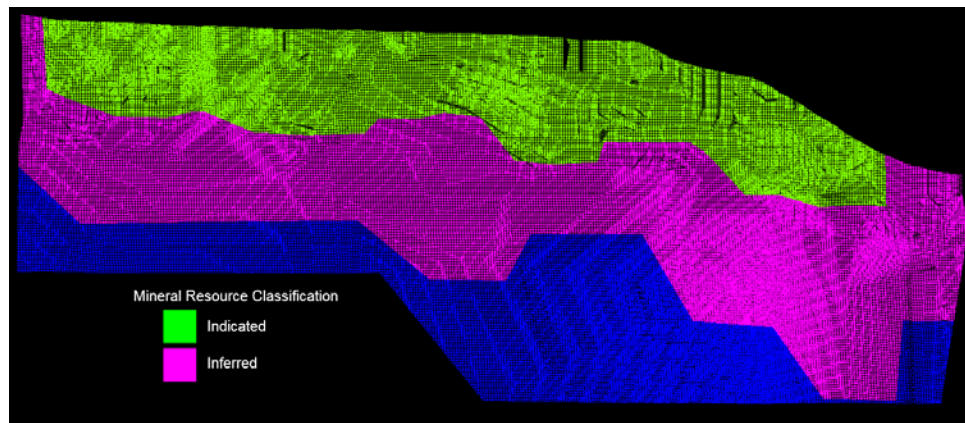
Confidence in the estimate of Inferred Mineral Resources is not sufficient to allow the results of the application of technical and economic parameters to be used for detailed planning in prefeasibility or feasibility studies.

To classify the Mineral Resources, wireframe models have been generated to represent the limit of the Indicated and Inferred Resources. The models consider the following criteria:

- confidence in the sampling data and geological interpretation
- analysis of variogram parameters
- the data distribution (based upon graphical analysis and quantitative assessment of nearest and average distances to informing composites)
- kriging efficiency
- slope of regression.

The wireframe models reflect the trends in the classification parameters as presented on a block by block basis, while ensuring that the classification resulted in appropriately coherent units. Figure 14.19 presents the scheme of Mineral Resource Classification for Vertikalny Central

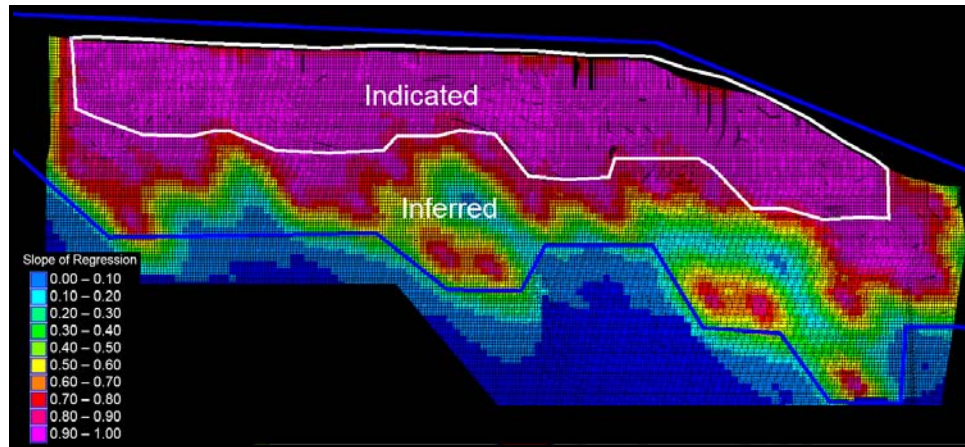
Figure 14.19 Long Section of the Mineral Resource Classification for Vertikalny Central



Note: Looking northeast

Figure 14.20 presents a long section illustrating the adopted resource classification and the slope of regression.

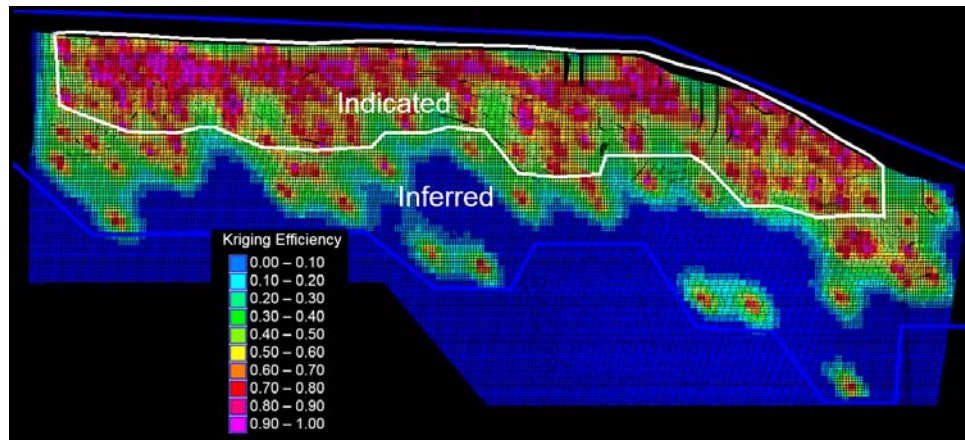
Figure 14.20 Long Section of the Mineral Resource Classification and Slope of Regression



Note: Looking northeast

Figure 14.21 presents a long section illustrating the adopted Resource classification and the slope of regression.

Figure 14.21 Long Section of the Mineral Resource Classification and Kriging Efficiency



Note: Looking northeast

14.10 MINERAL RESOURCE TABULATION

14.10.1 CUT-OFF GRADES

In order to demonstrate that the deposit has reasonable prospects for economic extraction, a cut-off grade of 335 g/t has been applied based on the following assumptions:

- spot metal prices of US\$17.00/oz silver effective 9 February 2015
- mining cost of US\$75.00/t
- processing cost of US\$50.00/t
- general and administration costs of US\$40.00/t

- overall Silver recovery of 90%.

14.10.2 MINERAL RESOURCE TABULATION

The updated Mineral Resource for the Vertikalny deposit is summarised in Table 14.10.

Table 14.10 Summary of Mineral Resources – Vertikalny Deposit

Zone	Indicated Resource			Inferred Resource		
	Tonnes (kt)	Ag Grade (g/t)	Contained Metal Ag (koz)	Tonnes (kt)	Ag Grade (g/t)	Contained Metal Ag (koz)
Vertikalny Central	800	909	23,400	680	615	13,400
Vertikalny Northwest	-	-	-	310	458	4,600
Vertikalny Total	800	909	23,400	990	565	18,000

14.10.3 GRADE TONNAGE SENSITIVITY

The Vertikalny block models have been reported at a range of cut-offs to provide an indication of the grade-tonnage sensitivity (Table 14.11, Table 14.12, and Table 14.13).

Table 14.11 Vertikalny Central Indicated Blocks – Grade-Tonnage Sensitivity

Cut-off Ag Grade (g/t)	Tonnage (kt)	Ag Grade (g/t)	Contained Metal Ag (koz)
185	1,140	715	26,200
235	1,000	788	25,200
285	910	837	24,500
335	800	909	23,400
385	710	982	22,300
435	630	1,049	21,300
485	570	1,113	20,400

Table 14.12 Vertikalny Central Inferred Blocks – Grade-Tonnage Sensitivity

Cut-off Ag Grade (g/t)	Tonnage (kt)	Ag Grade (g/t)	Contained Metal Ag (koz)
185	1,350	429	18,600
235	1,030	497	16,500
285	800	567	14,600
335	680	615	13,400
385	570	665	12,100
435	480	708	11,000
485	400	759	9,800

Table 14.13 Vertikalny North West Inferred Blocks - Grade Tonnage Sensitivity

Cut-off Ag Grade (g/t)	Tonnage (kt)	Ag Grade (g/t)	Contained Metal Ag (koz)
185	560	377	6,700
235	510	393	6,400
285	410	422	5,600
335	310	458	4,600
385	230	495	3,600
435	160	530	2,700
485	120	556	2,100

In September 2012, Tetra Tech estimated the Mineral Resource of the Nizhny Endybal deposit, which is shown along with Vertikalny Central and Vertikalny Northwest estimates in Table 14.14 as a summary of the total Mineral Resources for the Property.

Table 14.14 Total Resources for the Mangazeisky Property

Zone	Indicated Resource			Inferred Resource		
	Tonnes (kt)	Ag Grade (g/t)	Contained Metal Ag (koz)	Tonnes (kt)	Ag Grade (g/t)	Contained Metal Ag (koz)
Vertikalny Central	800	909	23,400	680	615	13,400
Vertikalny Northwest	-	-	-	310	458	4,600
Nizhny Endybal	-	-	-	3,200	133	13,500
Total	800	909	23,400	4,190	235	31,500

The updated Vertikalny Mineral Resource estimate was prepared by Mr. Robert Davies, B.Sc., EurGeol, CGeol. Mr. Davies is a Senior Resource Geologist at Tetra Tech and is a QP as defined in NI 43-101. The effective date of the Vertikalny Mineral Resource is 10 February 2015.

The Nizhny Endybal Mineral Resource is reported at a 75 g/t cut-off grade based upon the following assumptions:

- open pit mining
- US\$22.00/oz silver price
- assumed total operating cost of US\$50.00/t.

Mr. P. Gribble, FIMMM, C.Eng., a former Senior Geologist at Tetra Tech, is the independent QP who prepared the Mineral Resource estimate. The effective date of the Nizhny Endybal Mineral Resource is 11 September 2012. Mr. Davies is the QP who has reviewed and verified the Nizhny Endybal Mineral Resource as current.

14.11 GRADE-TONNAGE CURVES

Figure 14.22 through Figure 14.24 depict grade-tonnage curves for the Vertikalny Central Zone and Northwest Zone Mineral Resources.

Figure 14.22 Grade-Tonnage Curve for Indicated Resource at Vertikalny Central Zone

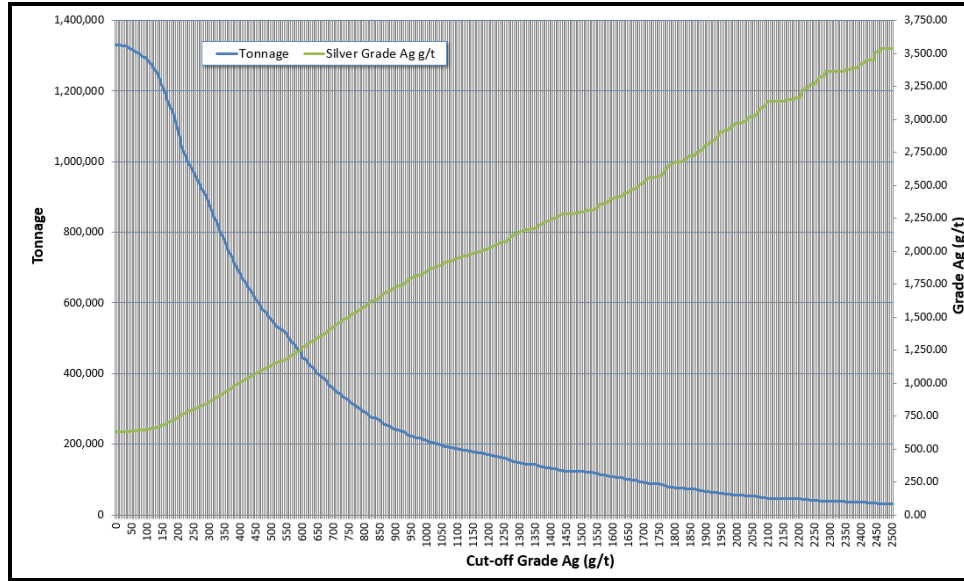


Figure 14.23 Grade-Tonnage Curve for Inferred Resource at Vertikalny Central Zone

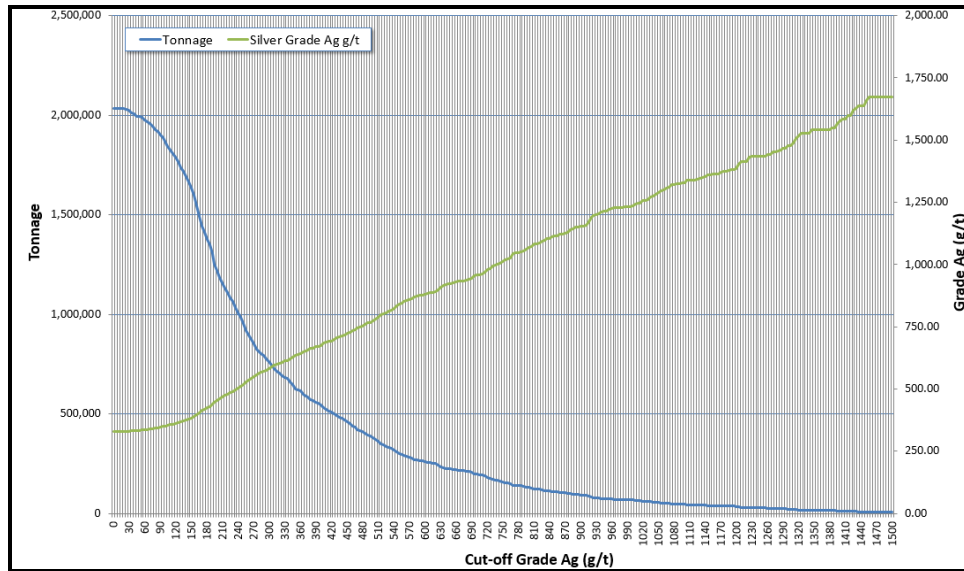
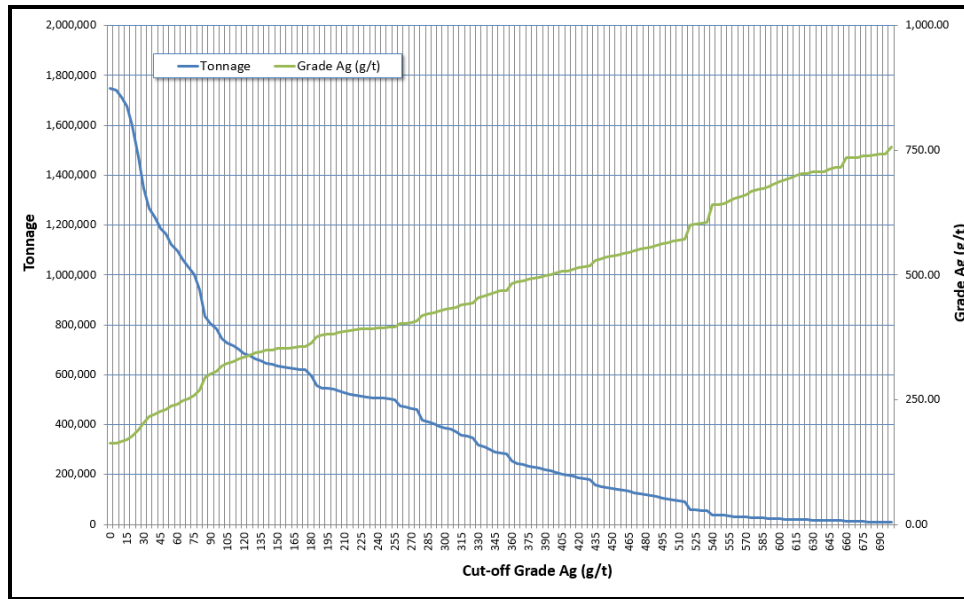


Figure 14.24 Grade-Tonnage Curve for Inferred Resource at Vertikalny Northwest Zone



Tetra Tech is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, or political factors that could materially affect the Mineral Resource.

15.0 ADJACENT PROPERTIES

There are no adjacent properties.

16.0 OTHER RELEVANT DATA AND INFORMATION

This technical report contains no formal disclosure relating to:

- mineral reserves
- mining methods
- project infrastructure
- market studies and contracts
- capital and operating costs
- economic analysis.

Though the 2014 PEA (Tetra Tech 2014) covers some of these items, Silver Bear has retained Tetra Tech as the lead consultant to complete a feasibility study for the Project, in which studies relating to the above six items will be fully disclosed. The feasibility study is scheduled to be complete in the Q4 2015.

A preliminary mining options study was completed by SRK Consulting in Q4 2014. The output of this study has been used to prepare the recommendations presented in Section 18.0. The recommendations will be updated as part of the feasibility study, following the completion of the mining assessment.

There is no additional information or explanation necessary to ensure that the technical report is understandable and not misleading.

17.0 INTERPRETATIONS AND CONCLUSIONS

All of the exploration data for the Vertikalny deposit has been reviewed and audited. In the opinion of Tetra Tech, the exploration work carried out by Silver Bear has generally been completed using procedures that are consistent with recognised industry best practices, and the data is suitable for resource estimation.

The 2013/2014 infill drilling campaigns completed on the Vertikalny deposits have provided further information in relation to the short-range variability of the grade distribution, and have improved the confidence in the grade continuity.

In Tetra Tech's opinion, the established understanding of the geological and grade continuity is sufficient to support the classification of the Mineral Resources as Inferred and Indicated, as presented in this report.

The new Mineral Resources for the Vertikalny Central and Northwest deposits have been reported using a cut-off grade of 335 g/t, based upon the following assumptions:

- spot metal prices of US\$17.00/oz silver, effective 9 February 2015
- mining cost of US\$75.00/t
- processing cost of US\$50.00/t
- general and administrative costs of US\$40.00/t
- overall silver recovery of 90%.

The costs and recoveries adopted in the calculation of the cut-off grade are based upon those disclosed within the 2014 PEA (Tetra Tech 2014), which is publically available on SEDAR.

The total Indicated Resource for the Vertikalny Central deposit is 800,000 t, with an average silver grade of 909 g/t. There are no Measured Resources in either the Vertikalny Central or Northwest deposits. The total Inferred Resource for the Vertikalny Central deposit is 680,000 t, with an average silver grade of 615 g/t. The total Inferred Resource for the Vertikalny Northwest deposit is 310,000 t with an average silver grade of 458 g/t. There are no Indicated Resources within the Vertikalny Northwest deposit.

Tetra Tech is not aware of any material risks associated with the Project. As part of the feasibility study currently underway, detailed technical matters are being investigated and mitigated. The feasibility study is anticipated to be completed in Q4 2015.

18.0 RECOMMENDATIONS

18.1 DATABASE

Tetra Tech recognises the significant improvements made to management of geological data, through incorporation of the previous year's data into the GeoSpark database. There are significant advantages to having data and supporting QA/QC information well organised and managed. Not least, much of the value of the Project is inherently stored in the data. If the data or supporting QA/QC information is lost, reporting resources in accordance with NI 43-101, or JORC guidelines, is not possible.

Tetra Tech recommends that Silver Bear adopt an industry standard Geological Database Management System (GDBM), for example: CAE Fusion, Datashed, or Acquire, or continue with GeoSpark for storage of geological data. In order that the data is kept secured and that continuity of data management can be assured, we recommend that the database be managed from Silver Bear's head office by a database administrator, or off-site by a third party contractor/consultant.

We further recommend that all previously collected drilling and trenching data along with all available QA/QC records is imported into the selected GDBMS.

18.2 INFILL DRILLING

Infill drilling is recommended in areas where there is presently insufficient information to reliably predict the grade of mineralisation. Infill drilling will provide additional understanding of the variability of mineralisation between drillholes.

Tetra Tech has reviewed various parameters to optimize the location of planned intercepts. These include:

- distance to nearest sample
- kriging efficiency
- slope of regression
- variographic parameters.

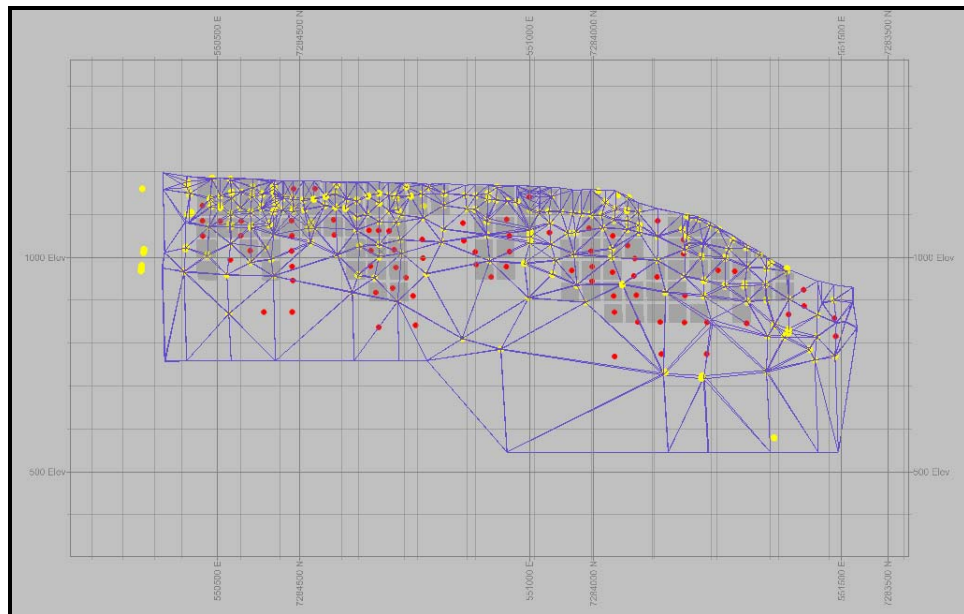
Tetra Tech also utilised the results of the preliminary mining options study completed by SRK Consulting to define the proposed drilling locations. The recommendations should be reviewed and updated following the completion of the mining study for the feasibility study.

18.2.1 VERTIKALNY

At the time of writing, a total of 79 drill holes for 16,150 m are planned to infill the Vertikalny mineralisation. Drillholes are directed in general within planned stopping outline, but also below the presently known extent of mineralisation and to the east and west of higher-grade lodes where the extent of the mineralisation along strike is poorly understood. Figure 18.1 shows the planned pierce points through the high-grade mineralisation, as well as the location of planned stopping panels.

Scheduling of the drilling will depend on the mining schedule, and should be planned to ensure that the order of drilling matches the order of planned development. Some drillholes will be able to be completed from underground drill stations as footwall mine development progresses.

Figure 18.1 Long Section of the Vertikalny Central Mineralization



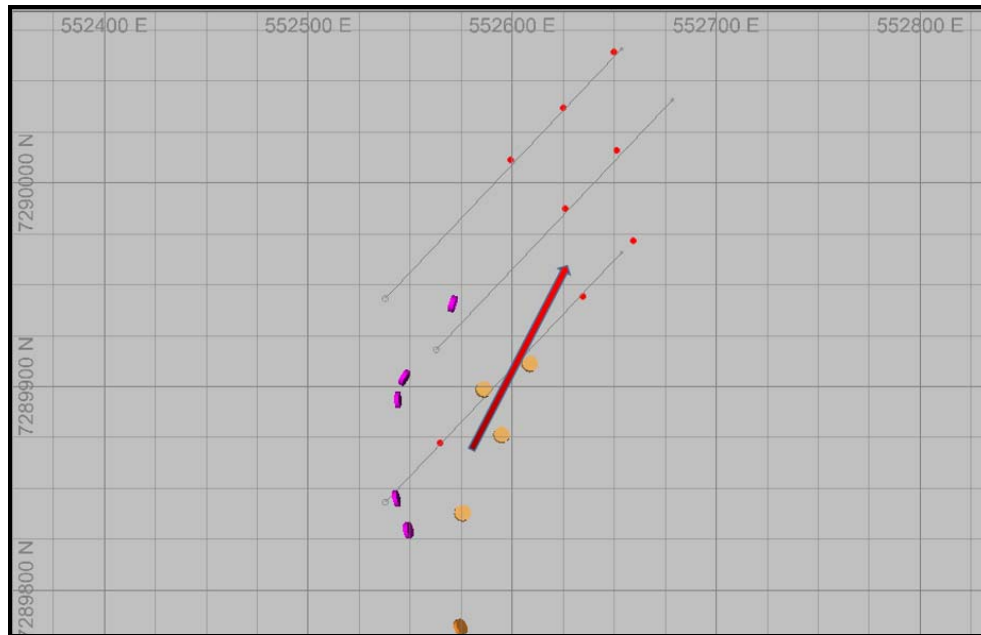
Notes: draft underground stopping areas (grey) high grade wireframe (purple), drillhole intercepts (yellow), planned drilling intercepts (red)

18.2.2 SATELLITE DEPOSITS

MAGNAZEISKY SOUTH

Mineralisation at Magnazeisky South is open to the northeast. A small drilling program of seven short holes is recommended to test the potential for extension in this direction. Eight holes for 500 m are planned to test this area (Figure 18.2).

Figure 18.2 Plan View of Magnazisky South



Note: arrow highlights area open to the northeast

MAGNAZEISKY NORTH

Detail planning for additional drilling at Magnazeisky North should follow the resource estimate that is pending. Tetra Tech estimates that a minimum of 25 drillholes for 2,000 m will be required for the initial phase of infill drilling.

18.3 COSTING

The estimated cost for the proposed drill programmes is approximately \$9.1 million. Table 18.1 summarizes the estimated costs for the proposed recommendations.

Table 18.1 Summary of Costs for the Proposed Recommendations

Item	Hole Count	Drill Metres (m)	Indicative Cost (\$)
Database Management	-	-	20,000 (annually)
Infill drilling at Vertikalny	79	16,150	8,075,000
Magnazeisky South	8	400	20,000
Magnazeisky North	25	2,000	1,000,000

19.0 REFERENCES

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- Ministry of Natural Resources of the Russian Federation Order of 11th December 2006, № 278, Classification Approval and Predicted Resources Solid Minerals', available at http://www.gkz-rf.ru/index.php?option=com_content&view=article&id=157:classtpi&catid=55:docstpi&Itemid=77
- Roscoe Postle Associates Inc., (2004), Technical Report on the Mangazeisky Silver Project, Yakutia, Russia, September 2004.
- Tetra Tech, (2013), NI 43-101 Technical Report on the Mangazeisky Property, February 2013.
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- TSNIGRI (2008), Technological Estimation of Samples of Silver-Polymetal Ores of Mengazeysky Deposit, April 2008.
- Wardrop Engineering Inc., (2011), NI 43-101 Technical Report – Scoping Study for the Vertikalny Deposit, Mangazeisky Project, September 2011.
- Western Services Report (2004),

20.0 CERTIFICATE OF QUALIFIED PERSON

20.1 ROBERT DAVIES, B.Sc. (HONS), CGEOL, EURGEOL, FGS

I, Robert Davies, B.Sc. (Hons), CGeol, EurGeol, FGS, of Swindon United Kingdom, do hereby certify:

- I am a Senior Resource Geologist with Tetra Tech WEI Inc. with a business address at Ground Floor, Unit 2, Apple Walk, Kembrey Park, Swindon, SN2 8BL, United Kingdom.
- This certificate applies to the technical report entitled Technical Report and Resource Estimate of the Mangazeisky Silver Project, Yakutia, Russia, dated 10th April 2015 (the “Technical Report”).
- I am a graduate of University of Liverpool, (BSc. Geology, 2004). I am a member in good standing and Chartered Geologist (CGeol) with the Geological Society of London (#1013629) and European Geologist (EurGeol) with the European Federation of Geologists (#965). My relevant experience is eleven years professional practise as a consulting geologist working in mineral exploration and resource estimation, most recently completing NI 43-101 compliant resource estimations for the Trun gold silver project in Bulgaria, the Ilovitza copper gold project in Macedonia and a JORC compliant resource estimate for the Zegen Gol, gold deposit in Eastern Russia. I am a “Qualified Person” for purposes of National Instrument 43-101 (the “Instrument”).
- My most recent personal inspection of the Property was 25th November 2013 for 4 days.
- I am responsible for Section’s 1.0, 2.0, 3.0, 4.0, 5.0, 6.0, 7.0, 8.0, 9.0, 10.0, 11.0, 12.0, 14.0, 15.0, 16.0, 17.0, 18.0, 19.0 and 20.1 of the Technical Report.
- I am independent of Silver Bear Resources Inc. as defined by Section 1.5 of the Instrument.
- I have no prior involvement with the Property that is the subject of the Technical Report.
- I have read the Instrument and the sections of the Technical Report that I am responsible for have been prepared in compliance with the Instrument.
- As of the date of this certificate, to the best of my knowledge, information and belief, the sections of the Technical Report that I am responsible for contain all of the scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Signed and dated this 10th day of April, 2015 at Swindon, United Kingdom.

*“Original document signed and sealed by Robert Davies,
B.Sc. (Hons), CGeol, EurGeol, FGS”*

Robert Davies, B.Sc. (Hons), CGeol, EurGeol, FGS
Senior Resource Geologist
Tetra Tech WEI Inc.

20.2 PAUL DAIGLE, P.GEO.

I, Paul Daigle, P.Geo., of Toronto, do hereby certify:

- I am a Senior Geologist with Tetra Tech WEI Inc. with a business address a 153 Glebemount Ave., Toronto, ON.
- This certificate applies to the technical report entitled Technical Report and Resource Estimate of the Mangazeisky Silver Project, Yakutia, Russia, dated 10th April 2015 (the “Technical Report”).
- I am a graduate of Concordia University, (BSc. Geology, 1989). I am a member in good standing of the Association of Professional Geoscientists of Ontario (Registration #1592). My relevant experience includes over 25 years of experience in a wide variety of geological settings, polymetallic and precious metal deposits, most recently, the completion of NI 43-101 compliant resource estimate and technical report on the Lagoa Salgada Pb-Zn Project, Portugal, and the 147 and contact Zones (Grey Fox) Project, Matheson, Ontario. I am a “Qualified Person” for purposes of National Instrument 43-101 (the “Instrument”).
- My most recent personal inspection of the Property was 23rd July 2014 for 3 days.
- I am responsible for Section 12.2 and 20.2 of the Technical Report.
- I am independent of Silver Bear Resources Inc. as defined by Section 1.5 of the Instrument.
- I have no prior involvement with the Property that is the subject of the Technical Report.
- I have read the Instrument and the sections of the Technical Report that I am responsible for have been prepared in compliance with the Instrument.
- As of the date of this certificate, to the best of my knowledge, information and belief, the sections of the Technical Report that I am responsible for contain all of the scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Signed and dated this 10th day of April, 2015 at Toronto, Ontario.

*“Original document signed and sealed by
Paul Daigle, P.Geo.”*

Paul Daigle, P.Geo
Senior Geologist
Tetra Tech WEI Inc.

20.3 ARUNASALAM VATHAVOORAN, PH.D., C.ENG., MIMMM

I, Arunasalam Vathavooran, of Swindon United Kingdom, do hereby certify:

- I am a Senior Metallurgical Engineer with Tetra Tech WEI Inc. located at Unit 2, Apple Walk, Kembrey Park, and Swindon, SN2 8BL, UK.
- This certificate applies to the technical report entitled Technical Report and Resource Estimate of the Mangazeisky Silver Project, Yakutia, Russia, dated 10th April 2015 (the “Technical Report”).
- I graduated with a Doctorate in Mineral Processing from the University of Nottingham, UK in 2006 and have practiced the profession of Metallurgical Engineering since my graduation. I am a Chartered Engineer registered and in good standing of the Engineering Council (579205), the Institute of Materials, Minerals and Mining (444570), and the Society for Mining, Metallurgy and Exploration (4149245). I have been employed with Tetra Tech since 2011; as a Metallurgical Engineer and from 2012 as a Senior Metallurgical Engineer. My relevant experience for 12 years in Metallurgical engineering covers a wide range of commodities including precious metals and base metals. I have delivered detailed studies including preliminary economic assessments, prefeasibility studies and feasibility studies for mining projects located in Europe, Asia and Africa.
- I have not completed a site visit to the Mangazeisky Property.
- I am responsible for Section’s 13.0 and 20.3 of the Technical Report.
- I am independent of Silver Bear Resources as defined by Section 1.5 of the Instrument.
- I have no prior involvement with the Property that is the subject of the Technical Report.
- I have read the Instrument and the sections of the Technical Report that I am responsible for have been prepared in compliance with the Instrument.
- As of the date of this certificate, to the best of my knowledge, information and belief, the sections of the Technical Report that I am responsible for contain all of the scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Signed and dated this 10th day of April, 2015 at Swindon, United Kingdom.

*“Original document signed and sealed by
Arunasalam Vathavooran, Ph.D., C.Eng., MIMMM”*

Arunasalam Vathavooran, Ph.D., C.Eng., MIMMM
Senior Metallurgical Engineerin
Tetra Tech WEI Inc.