

Silver Bear Announces 2010 Year End Results and Updates Mineral Resource Estimate

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TORONTO, March 28 /CNW/ --

TORONTO, March 28 /CNW/ - Silver Bear Resources Inc. ('Silver Bear' or the 'Company') (TSX:SBR) today announces financial results for the year ended December 31, 2010, prepared in accordance with Canadian generally accepted accounting principles ('GAAP'). All dollar amounts are stated in Canadian dollars unless otherwise indicated.

The Company today also announces an updated mineral resource estimate on its 100% owned Mangazeisky silver project in Russia completed by Wardrop, a Tetra Tech Company ('Wardrop'). The Company has also engaged Wardrop to complete a preliminary economic assessment ('PEA') on the project. In addition, the Company is pleased to announce the appointment of Denis Alexandrov to its Board of Directors.

- Indicated mineral resource of 1.1 million tonnes averaging 514 grams per tonne of silver totaling 18 million ounces, and an additional
- Inferred mineral resource of 1.7 million tonnes averaging 554 grams per tonne of silver totaling 31 million ounces
- PEA results anticipated in second quarter of 2011

'With the combination of our high grade silver resource and the continued strength in the silver price, we want to complete a PEA on our project,' stated Randall Oliphant, Chief Executive Officer. 'While we will continue our strategic review of all options available to us, the PEA should provide an even more solid basis from which to move forward.'

Updated Mineral Resource Estimate

The updated mineral resource estimate on Silver Bear's 100% owned Mangazeisky silver project in Russia has been completed by Wardrop and reflects an increase in the silver price assumption and related change in the cut-off grade. The estimate, as of February 25, 2011, is based on a long term silver price of US\$16.50 per ounce (previously US\$10.84 per ounce), a cut-off grade of 160 grams per tonne (previously 240 grams per tonne) and anticipates that the mineralized zone would be mined by selective underground methods at a minimum mining width of 1.2 metres.

Mr. P. Gribble, FIMMM C.Eng, of Wardrop, is the independent qualified person who prepared the mineral resource estimates disclosed herein. Wardrop has completed a NI 43-101 Technical Report supporting the mineral resource estimate. The Technical Report has been filed on www.sedar.com.

Summary of Resource Estimate as of February 25, 2011

	Mangazeisky Mineral Resources							
	Indicated Resources				Inferred Resources			
Silver Price (US\$/oz)	Cut-off (g/t)	Tonnes (millions)	Silver Grade (g/t)	Ounces (millions)	Cut-off (g/t)	Tonnes (millions)	Silver Grade (g/t)	Ounces (millions)
Sensitivity Estimate 20.00	130	1.1	506	18.1	130	1.8	532	31.1
Current Estimate 16.50	160	1.1	514	18.0	160	1.7	554	30.6
Previous Estimate 10.84	240	1.0	558	17.5	240	1.5	596	29.0

While the silver ounces in the Indicated resource category did not change materially, the increase in the long term price assumption increased the Inferred resource by approximately 6% or 1.6 million ounces.

	Inferred Silver Resource				
	Silver price (US\$/oz.)	Cut-off (g/t)	Tonnes (millions)	Silver Grade (g/t)	Ounces (millions)
Current estimate	\$16.50	160	1.7	554	30.6
Previous estimate	\$10.84	240	1.5	596	29.0

No Measured Mineral Resources or Mineral Reserves have been estimated at this stage for the deposit. Additional infill drilling is required to upgrade those parts of the resource in the Inferred category, and to better understand the short range variation in the mineralization. More studies will be required to determine detailed technical, economic, legal, environmental, socio-economic and governmental factors. These modifying factors are normally included in a mining feasibility or pre-feasibility study and are a prerequisite for conversion of resources to, and reporting of, Mineral Reserves. For more detailed technical information with respect to the Mangazeisky property, refer to the technical report entitled 'Technical Report for the Mangazeisky Project, Republic of Sakha (Yakutia), Russian Federation' dated February 25, 2011 at www.SEDAR.com.

Preliminary Economic Assessment

Silver Bear has engaged Wardrop to complete a PEA based on the currently defined resource to assess the viability of advancing the project towards production based on its current scale. The PEA is intended to provide the Company with Wardrop's views on the following: geology, mine planning, metallurgy, infrastructure, environmental, capital and operating costs and an overall financial analysis. Wardrop is familiar with the Mangazeisky Project, having visited the property and completed the three NI 43-101 compliant resource updates that have been done on the property to date. The Company will use the PEA to assist in evaluating the strategic alternatives available. It is anticipated that the PEA should be completed by the end of the second quarter of 2011.

License Extension

To convert its exploration license, which expires December 31, 2011, to a mining license, Silver Bear will complete a Russian Feasibility Study ('RFS') and register this report, along with a Russian reserve estimate, with the Russian government. Upon registration of the Russian reserve estimate, Silver Bear will apply for a certificate of discovery which will enable the Company to obtain the mining license. Silver Bear expects this process to be completed by year end, but in the event it is not, there is a mechanism available to extend the exploration license for a short period to allow Silver Bear to complete the license conversion. The Company is currently in discussion with various Russian engineering firms to commence the RFS process.

Update to Board of Directors

Silver Bear is pleased to announce the appointment of Mr. Denis Alexandrov to its Board of Directors. Mr. Alexandrov is currently Managing Director of A1 Investment Company, which is part of the Alfa Group. The Alfa Group is a 19.5% shareholder in Silver Bear. During his career, Mr. Alexandrov has worked with numerous Russia-focused companies in a financial and strategic capacity. Mr. Alexandrov replaces Mr. Alexey Mikhaylovskiy, who was previously one of the Alfa Group's representatives on the Board. The Company would like to thank Mr. Mikhaylovskiy for his hard work and stewardship since he joined the Board in June of 2008.

Financial Results

Silver Bear incurred a net loss for the year ended December 31, 2010 of \$2.6 million, or \$0.07 per share. This compares to a loss of \$13.3 million or \$0.35 per share for the year ended December 31, 2009. Exploration costs were \$1.5 million in the year ended December 31, 2010 compared with \$8.5 million in the year ended December 31, 2009, as the Company reduced exploration expenditures to preserve cash. General and administrative expenses for the year ended December 31, 2010 were \$1.6 million compared with \$2.4 million in the prior year as the Company

reduced corporate office and salary related costs. Non-cash items for the year ended December 31, 2010 were \$1.0 million compared with \$2.5 million in the year ended December 31, 2009; the reduction of \$1.5 million is mainly a result of decreased stock based compensation and foreign exchange expenses. Interest income for the year ended December 31, 2010 was \$0.1 million compared with \$0.1 million in the prior year. The Company has received a refund of Value Added Tax ('VAT') in the Russian Federation from prior periods of \$1.4 million in 2010, which is included in other income.

Silver Bear incurred a net loss for the three-month period ended December 31, 2010 of \$0.9 million or \$0.03 per share. This compares to a loss of \$1.8 million or \$0.04 per share for the three-month period ended December 31, 2009. Exploration costs were \$0.3 million in the three-month period ended December 31, 2010 compared with \$0.4 million in the three-month period ended December 31, 2009. General and administrative expenses for the three-month period ended December 31, 2010 were \$0.3 million compared with \$0.5 million in the three month-period ended December 31, 2009. Non-cash items for the three-month period ended December 31, 2010 was \$0.3 million compared with \$0.9 million in the three-month period ended December 31, 2009. During the quarter the Company has received an additional VAT refund from prior periods of \$0.1 million, and has recorded this amount as other income in the quarter.

Liquidity and Capital Resources

At December 31, 2010, Silver Bear had cash and cash equivalents of \$11.1 million. The Company has no debt outstanding. Silver Bear anticipates that it has a sufficient amount of cash and cash equivalents to meet its short term objectives. Silver Bear has budgeted for a 5,000 cubic metre trenching program in 2011 at a cost of \$1.6 million, completion of the PEA for \$0.2 million and the RFS for \$0.6 million, with an additional \$1.4 million of corporate costs. Upon successful conversion to a mining license, the Company will be required to pay a license fee, for which Silver Bear has budgeted \$0.3 million. Additional funding may be required in the longer term.

Silver Bear Resources Inc.

The primary business of the Company is the evaluation, acquisition, exploration and development of silver properties in the Russian Federation. The Company's principal asset is its 100% owned Mangazeisky Project, located approximately 400 kilometres north of Yakutsk in the Republic of Sakha, Yakutia in the Russian Federation.

Silver Bear is currently evaluating strategic alternatives available to the Company in an effort to maximize shareholder returns. This may include: continued exploration/development of the Mangazeisky Project, joint venture of the Project, or combination with another mineral focused company.

Silver Bear Resources Inc. is listed on the Toronto Stock Exchange and its common shares trade under the symbol 'SBR'. Silver Bear has

37,935,569 issued and outstanding common shares. Other information relating to Silver Bear is available on SEDAR at www.sedar.com as well as on the Company's website at www.silverbearresources.com.

Silver Bear
Resources Inc.

Consolidated Statements of Operations and
Comprehensive Loss and Deficit

(Canadian
dollars)

(unaudited)

	Three-month periods Ended		Year Ended	
	December 31,	December 31,	December 31,	December 31,
	2010	2009	2010	2009
Income				
Interest income	25,783	11,119	70,799	99,759
Other income	73,587	-	1,405,273	-
	99,370	11,119	1,476,072	99,759
Expenses				
Exploration costs	333,946	396,126	1,484,517	8,545,160
General and administrative	332,732	537,782	1,566,869	2,390,332
Stock based compensation	30,981	28,776	108,742	353,811
Amortization	202,455	202,853	794,903	765,067
Accretion expense	9,504	9,500	38,016	38,014
Loss on disposal of property, plant and equipment	-	598,572	2,882	610,203
Foreign exchange loss	73,213	84,565	94,213	684,601
Expenses from operations	982,831	1,858,174	4,090,142	13,387,188

Loss and Comprehensive Loss for the period	(883,461)	(1,847,055)	(2,614,070)	(13,287,429)
Deficit - Beginning of the year	(68,211,905)	(64,634,242)	(66,481,296)	(53,193,867)
	(69,095,366)	(66,481,297)	(69,095,366)	(66,481,296)
Weighted average number of common shares outstanding	37,935,569	37,935,569	37,935,569	37,935,569
Loss per share	(0.03)	(0.04)	(0.07)	(0.35)

Silver Bear Resources Inc.

Consolidated Balance Sheets

(Canadian dollars)

(unaudited)

December 31,	December 31,
2010	2009

ASSETS

Current assets

Cash and cash equivalents	11,114,277	12,320,095
Accounts receivable	24,117	355,438
Inventories	1,097,946	1,226,195
Prepaid expenses	37,697	90,677
	12,274,037	13,992,405

Capital assets

Mineral property	1,265,117	1,265,117
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Property, plant and equipment	1,169,474	1,969,181
	14,708,628	17,226,703

LIABILITIES

Current liabilities

Accounts payable and accrued liabilities	301,535	352,298
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Long-term liabilities

Asset retirement obligation	646,741	608,725
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Shareholders' equity

Capital Stock	73,771,289	73,771,289
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Contributed surplus	9,084,429	8,975,687
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Deficit	(69,095,366)	(66,481,296)
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	13,760,352	16,265,680
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	14,708,628	17,226,703
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Silver Bear
Resources Inc.

Consolidated
Statements of
Cash Flows

(Canadian
dollars)

(unaudited)

	Three-month periods Ended		Year Ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Cash provided by (used in)				
Operating activities				
Net Loss from operations	(883,461)	(1,847,055)	(2,614,070)	(13,287,429)
Items not affecting cash:				
Amortization	202,455	202,853	794,903	765,067
Accretion expense	9,504	9,500	38,016	38,014
Stock based compensation	30,981	28,776	108,742	353,811
Loss on disposal of property, plant and equipment	-	598,572	2,882	610,203
Net change in non-cash working capital	1,003,795	(169,032)	461,787	(414,500)
Net cash used in operations	363,274	(1,176,386)	(1,207,740)	(11,934,834)

Investing
activities

Acquisition of property, plant and equipment	-	(28,539)	-	(260,672)
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Proceeds from sale of property, plant and equipment	-	345,578	1,922	345,578
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	-	317,039	1,922	84,906
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Decrease in cash
and cash
equivalents
during the
period

363,274	(859,347)	(1,205,818)	(11,849,928)
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Cash and cash
equivalents -
beginning of
the period

10,751,003	13,179,442	12,320,095	24,170,023
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Cash and cash
equivalents -
end of the
period

11,114,277	12,320,095	11,114,277	12,320,095
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Forward-Looking Information

This release and subsequent oral statements made by and on behalf of the Company may contain forward-looking statements, which reflect management's expectations. Wherever possible, words such as 'intends', 'expects', 'scheduled', 'estimates', 'anticipates', 'believes' and similar expressions or statements that certain actions, events or results 'may', 'could', 'would', 'might' or 'will' be taken, occur or be achieved, have been used to identify these forward-looking statements. Although the forward-looking statements contained in this release reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, Silver Bear cannot be certain that actual results will be consistent with these forward-looking statements. A number of factors could cause events and achievements to differ materially from the results expressed or implied in the forward-looking statements. Such risks factors include but are not limited to risks factors identified by Silver Bear in its continuous disclosure filings filed from time to time on SEDAR. These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Forward-looking statements necessarily involve significant known and unknown risks, assumptions and uncertainties that may cause Silver Bear's actual results, events, prospects and opportunities to differ materially from

those expressed or implied by such forward-looking statements. Although Silver Bear has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, prospective investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this release, and Silver Bear assumes no obligation to update or revise them to reflect new events or circumstances, unless otherwise required by law.

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