TORONTO, ONTARIO--(Marketwired - Oct 8, 2015) - Silver Bear Resources Inc. ("Silver Bear" or the "Company") (TSX:SBR) is pleased to announce that the Company's major shareholders, A.B. Aterra Resources Ltd. ("Aterra") and Inflection Management Corporation ("Inflection"), have agreed to supply the Company with loans in the aggregate principal amount of C$11,220,000 (the "Financing") to address the Company's immediate financial needs. The Financing has been negotiated on an arm's-length basis, following the significant time spent by management of the Company approaching potential investors, private equity groups, investment funds, corporations and investment banks in an effort to obtain additional funding to develop the Mangazeisky Silver Project. It is the view of the Company's management and directors that the Financing will enable Silver Bear to maintain its development activities at site as they seek the remaining project financing.

Silver Bear's CEO, Graham Hill commented*:* "We are very thankful for the continued support from our major shareholders Aterra and Inflection. This support most importantly allows Silver Bear to complete its feasibility studies, and continue construction and development momentum of the Mangazeisky Silver Project, while evaluating and negotiating our final project financing options."

As part of the first tranche of the Financing, Silver Bear has issued unsecured contingent convertible promissory notes to each of Inflection and Aterra in the principal amount of C$3,300,000 and C$2,310,000, respectively, for a total of C$5,610,000 (together, the "Contingent Convertible Notes"), which notes will mature and will be due and payable on December 31, 2015. As part of the second tranche of the Financing, Silver Bear has agreed to issue an unsecured convertible promissory note to Inflection in the principal amount of C$5,610,000 (the "Inflection Convertible Note"), which note will have a maturity date and be due and payable on December 31, 2015. Details of the terms of the Contingent Convertible Notes, the Inflection Convertible Notes and the Financing, generally, are discussed below.

The Company intends to use the gross proceeds from the Financing to finance further pre-construction and development of the Mangazeisky property and for general working capital purposes.

(i) First Tranche - Contingent Convertible Notes

The Contingent Convertible Notes pay no interest and are not convertible until such time as the Company obtains minority and disinterested shareholder approval (as required by Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") and under the TSX Company Manual) for the payment of interest thereon and conversion of the Contingent Convertible Notes (collectively, the "Loan Conversion Shareholder Approvals"). If the Contingent Convertible Notes receive the Loan Conversion Shareholder Approvals, the notes will bear interest at a rate of 15% per annum and be convertible into common shares of the Company ("Common Shares") at an exercise price of C$0.075 per Common Share, for a total of 74,800,000 Common Shares being issuable, assuming no interest is accrued on the Contingent Convertible Notes. The Toronto Stock Exchange (the "TSX") has conditionally approved the issuance of the Convertible Promissory Notes, subject to, among other things, receipt of the Loan Conversion Shareholder Approvals. The Company intends to call and hold a special meeting of its shareholders on October 30, 2015 (the "Meeting") to seek the required Loan Conversion Shareholder Approvals. Provided the Loan Conversion Shareholder Approvals are received, all interest accrued under the Contingent Convertible Notes will be convertible into Common Shares on the same terms as the principal amount. The number of Common Shares that could be issued under the Contingent Convertible Notes in lieu of payment of interest, assuming the Loan Conversion Shareholder Approvals are received, and that the notes were issued on September 30, 2015, is 2,828,055 Common Shares.

In connection with the Financing, the Company also proposes to amend the maturity date for the US$7 million unsecured non-convertible promissory notes issued to Aterra and Inflection in March 2015 (the "March 2015 Promissory Notes"), from September 16, 2015 to December 31, 2015, in order to provide the Company additional time to pay the outstanding principal and accrued interest under the March 2015 Promissory Notes. On September 28, 2015, the Company obtained TSX conditional approval to extend the maturity date of the March 2015 Promissory Notes to December 31, 2015, but such approval is subject to, among other things, receipt of the Loan Conversion Shareholder Approvals at the Meeting.

Both Inflection and Aterra are insiders and related parties of Silver Bear. Mr. Boris Granovsky, a director of the Company is also a director of Aterra. Mr. Alexey Sotskov, a director of the Company is also a director of Inflection. Accordingly, the Contingent Convertible Notes are considered a "related party" transaction pursuant to MI 61-101. The Company is relying on the exemptions available under sections 5.5(c) and 5.5(g) of MI 61-101 from the formal valuation and minority shareholder approval requirements. The Contingent Convertible Notes were approved by the board of directors of Silver Bear with Mr. Alexey Sotskov and Mr. Boris Granovsky abstaining from participating in the vote.

(ii) Second Tranche - Inflection Convertible Note

When issued, the Inflection Convertible Note will bear interest at a rate of 15% per annum and be convertible into Common Shares at an exercise price of C$0.045 per Common Share, for a total of 124,666,667 Common Shares assuming no interest has accrued on the Inflection Convertible Note at the time of conversion. All interest accrued under the Inflection Convertible Note will be convertible into Common Shares on the same terms as the principal. The number of Common Shares that could be issued under the Inflection Convertible Note in lieu of payment of interest, assuming that disinterested shareholder approval is received at the Meeting, that the note is issued on October 30, 2015, and that the conversion price is C$0.045 per share, is 3,125,205 Common Shares. The Inflection Convertible Note will also have an upwards ratchet, so that if the Company issues new Common Shares prior to maturity of the Inflection Convertible Note at a price greater than C$0.045, the conversion price under the Inflection Conversion Note will increase to that greater price.

The Company obtained TSX conditional approval for the issuance of the Inflection Convertible Note on September 28, 2015, but such approval is subject to, among other things, receipt of disinterested shareholder approval at the Meeting for the issuance of the Inflection Convertible Note.

Since Inflection is an insider of the Company, the Inflection Convertible Note is considered a "related party" transaction pursuant to MI 61-101. The Company is relying on the exemptions available under sections 5.5(c) and 5.5(g) of MI 61-101 from the formal valuation and minority shareholder approval requirements. The Inflection Convertible Note was approved by the board of directors of Silver Bear with Mr. Alexey Sotskov abstaining from participating in the vote.

The Financing will be conducted on a non-brokered basis. No fee is payable by the Company in respect of the issuance of securities under the Financing.

Resulting Share Ownership

The following table sets out the maximum number of Common Shares issuable to each of Inflection and Aterra in connection with the proposed transactions, on a non-diluted basis, using the 161,327,017 Common Shares issued and outstanding as of the date hereof, and assuming no interest under any instrument is converted to Common Shares.

	Number and Percent (non-diluted) of Common Shares(3)	
Name of Insider	Share Ownership at date of Circular	Common Shares Issuable upon conversion of the Contingent Convertible Notes
Inflection	41,176,471 Common Shares (25.5% - basic)	44,000,000 Common Shares or 27.27% of the currently issued and outstandin
Aterra	40,468,579 Common Shares (25.08% - basic)	30,800,000 Common Shares or 19.09% of the currently issued and outstandin

1. Assumes conversion at C$0.045 per share.
2. Assumes all instruments are actually converted. If so, 360,793,684 Common Shares would then be issued and outstanding on a non-diluted basis (and assuming no exercise of warrants).
3. Assumes no payment of Common Shares in lieu of interest. The maximum number of Common Shares that could be issued in lieu of interest on the Contingent Convertible Notes is 2,828,055 and in respect of the Inflection Convertible Note (assuming an October 30, 2015 issue date and C$0.045 conversion price) is 3,125,205 Common Shares.

About Silver Bear

Silver Bear (TSX:SBR) is focused on the development of its wholly-owned Mangazeisky Silver Project, covering a licence area of ~570 sq. km that includes the high grade Vertikalny deposit (amongst the highest grade silver deposits in the world) located 400 km north of Yakutsk in the Republic of Sakha (Yakutia) within the Russian Federation. The Company was granted a 20-year mining licence for the Vertikalny deposit in September 2013 and completed a Preliminary Economic Assessment in February 2014. The Feasibility Study, scheduled for completion in 2H 2015, is contracted to Tetra Tech in the UK with SRK and ERM as subcontractors for the mining and environmental studies respectively. 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.

Cautionary Notes

This release and subsequent oral statements made by and on behalf of the Company may contain forward-looking statements, which reflect management's expectations. Wherever possible, words such as "intends", "expects", "scheduled", "estimates", "anticipates", "believes" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify these forward-looking statements. Although the forward-looking statements contained in this release reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, 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 risk factors include, but are not limited, to the possibility that necessary regulatory approvals are not received or other conditions to completion of the Financing are not satisfied, the possibility that we have to allocate proceeds to other uses or reallocate proceeds significantly differently among the anticipated uses, and to risk 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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