

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR RELEASE OR DISSEMINATION DIRECTLY, OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES. The securities described herein will not be and have not been registered under the U.S. Securities Act of 1933 (the "Securities Act") and may not be offered or sold in the United States or to U.S. persons (other than distributors) unless such securities are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available.

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 entered into negotiations with the Company to undertake a restructuring of their outstanding convertible notes and a new financing process with the objective of reducing dilution and mitigating the possible impact on liquidity which the full conversion of the notes by December 31, 2016 would entail. Aterra currently holds convertible notes with a principal amount of CDN\$4.505 million and Inflection a principal amount of CDN\$13.51 million, all of which were initially issued in December 2015.

The discussions revolve around Aterra and Inflection converting a to-be-agreed portion of the principal amount of the existing convertible notes into common shares, such that their combined common share ownership would not exceed 65% on completion of the restructuring. In addition, Aterra and Inflection would agree to exchange the remaining principal amount for new convertible notes to be priced in the context of the market, and also placed with new institutional investors.

If necessary, Aterra and Inflection have indicated that they would be willing to extend the term of their existing convertible notes from December 31, 2016 until March 31, 2017 (the "Note Extension") to facilitate the negotiations.

The Note Extension, if agreed, will be subject to the approval of the Board of the Company and the Toronto Stock Exchange ("TSX").

Discussions regarding the restructuring and new convertible note financing are at an early stage, and no assurance can be provided that either will be completed and accordingly, whether an extension of the existing convertible notes will be forthcoming.

About Silver Bear

Silver Bear (TSX:SBR) is focused on the development of its wholly-owned Mangazeisky Silver Project, covering a licence area of approximately 570 km² 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 within the Russian Federation. The Company was granted a 20-year mining licence for the Vertikalny deposit in September 2013 and recently updated its Feasibility Study in Q4 2016. 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 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.

Contact

[Silver Bear Resources Inc.](#)

Graham Hill
President and Chief Executive Officer
+7 916 731 5673
info@silverbearresources.com

[Silver Bear Resources Inc.](#)

Judith Webster
Investor Relations Manager & Corporate Secretary
+416 453 8818
jwebster@silverbearresources.com

Buchanan UK
Bobby Morse
+ 44 (0) 20 7466 5000

Buchanan UK
Anna Michniewicz
+44 (0) 20 7466 5146