

Silver Bear Files Third Quarter 2020 Financial Results

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TORONTO, Nov. 13, 2020 - [Silver Bear Resources Plc](#) (Silver Bear; or the Company; (TSX: SBR) announces the filing its unaudited financial results for the three and nine-month period ended 30 September 2020 today, including development highlights from its Mangazeisky silver project in Far East Russia.

For complete details of the unaudited Interim Consolidated Financial Statements and associated Management's Discussion and Analysis please refer to the Company's filings on SEDAR (www.sedar.com) or the Company's website (www.silverbearresources.com).

Q3 2020 QUARTER HIGHLIGHTS

During the nine-month period ended 30 September 2020 the Group production statistics included:

- Mined a total of 89,703 tonnes of ore, processed 80,748 tonnes of ore at an average grade of 677 g/t of silver, producing a total of 1,501,123 ounces of silver;
- Sold a total of 1,514,374 ounces of silver totalling production revenue of US\$ 28,410,544 and reported a total comprehensive loss of \$42,468,501 and an accumulated deficit of \$232,055,475.
- In August 2020, the Group has started its 2020 exploration drilling activities, about 4,000 metres of core drilling program is expected to test the both flanks of Vertikalny deposit where previous work has identified possible additional resources, to further test the Porfirovy deposit to the south and also additional infill drilling at the Mangazeisky North resource; and
- As of the date of this report, the Group confirms there have been no major disruptions at either sites or to the Group's planned production and operations due to the COVID-19 pandemic.

MANGAZEISKY SILVER PROJECT COMMERCIAL PRODUCTION

The Group achieved first pre-commercial silver production in 1 April 2018 through its commissioning activities at the Mangazeisky Silver Project as construction of the processing plant and associated infrastructure was completed. The Group achieved commercial production at the beginning of the third quarter of year 2019. The table below details the production highlights for the three and nine-month period ended 30 September 2020 and 2019.

	Three-months ended 30 Sept 2020	Three-months ended 30 Sept 2019	Nine-months ended 30 Sept 2020	Nine-months ended 30 Sept 2019
Operating Data				
Ore Mined (tonnes)	14,289	27,577	89,703	87,230
Ore processed (tonnes)	25,859	26,576	80,748	71,789
Head grade (g/t Ag)	677	832	677	670
Recovery (%)	85.6	70.7	86.5	70.5
Silver ounces produced	466,841	502,134	1,501,123	1,074,800
Financial Data				
Silver ounces sold	448,997	400,877	1,514,374	1,027,500
Average realized price (US\$/oz)	23.92	16.98	18.76	15.91
Production and pre-production revenues, US\$	10,739,432	6,806,711	28,410,544	16,345,000

Development & Operational Activities

During the first quarter, the Group's 2020 winter road procurement and transportation delivered approximately 14,000 tonnes of supplies, including new drill rig, excavator and the new XRT processing equipment. The winter road was closed on 30th of April this year, and accomplished delivery of all the Group's demand for gas condensate and diesel fuel. Deliveries for the summer and fall months are now via cargo flights using the Group's newly completed airstrip.

During the second quarter, in May 2020, following a prescribed quarantine period, the XRT consultants arrived at site and completed the final commissioning. The XRT equipment is now fully operational. The flotation facility construction project design development phase was completed in the second quarter.

During the third quarter, the Group began the construction on the foundation for the new flotation plant, that is designed to process the primary sulphide ores at the Vertikalny deeper pit and underground mining operations. It is expected that the new flotation plant will be completed in early 2022.

As of the date of this report there are no construction contractors and approximately 200 Prognoz employees at site. There are also 63 contractors, namely catering, process consultants, and construction workers. As of 30 September 2020, there was no lost time recorded accident at site. In light of the World Health Organization (“WHO”) declaring COVID-19 a global pandemic in March of this year, the Group has developed and implemented a response and mitigation plan for both its Yakutsk head office and Mangazeisky mine site. At the date of this report the Group has had no major disruptions at either sites or to our planned production and operations, however we continue to monitor the situation ensuring we keep the safety of our work force our main priority.

Corporate & Financing Activities

On 27 May 2020, the Group announced that it has further amended its existing facilities agreement (the “Facilities Agreement”) with Inflection Management Corporation Limited (“Inflection”), a major shareholder of the Company, and Unifirm Limited (“Unifirm”), an affiliate of A.B. Aterra Resources Ltd. (“Aterra”), also a major shareholder of the Company. The amendments to the Facilities Agreement (the “Facilities Agreement Amendments”): (i) reduce the interest payable on all funds drawn under the Facilities Agreement from 9% to 7% per annum; and (ii) extend the first interest period under the Facilities Agreement and revise the interest capitalization date to 1 April 2020.

The Facilities Agreement Amendments are a “related party transaction” under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) because Inflection and Aterra, an affiliate of Unifirm, are related parties to the Company, as its major shareholders. Pursuant to Section 5.7(f) of MI 61-101, the Company is exempt from obtaining approval of the Company’s minority shareholders as a result of the Facilities Agreement Amendments being an amendment to a loan to the Company (obtained from a related party on reasonable commercial terms that are not less advantageous to the Company than if such credit facility was obtained through an arm’s length lender) that has no equity or voting component. The Company will file a material change report in respect of the Facilities Agreement Amendments. The Group filed a material change report in respect of the Facilities Agreement Amendments on December 24, 2019.

Exploration Activities

During the third quarter 2020, the Group was working on the completion of the details of its exploration program for the upcoming exploration season. During the season the Group is planning to target extensions of existing deposits and new areas of significance with the intent to grow the Group’s resources and establish future drilling programs. In August 2020, the Group has started its 2020 exploration drilling activities. About 4,000 metres of core drilling is expected to test the both flanks of Vertikalny deposit where previous work has identified possible additional resources, to further test the Porfirovy mineralization area to the south as well as additional infill drilling at the Vertikalny and Mangazeisky North deposits.

OUTLOOK FOR THE REMAINDER OF YEAR

In order to fund further development operations and maintain rights under licenses and agreements, the Group has secured funding in the form of long-term loans of which the principal totals \$185 millions and the Group may be dependent on securing additional financing until such time that it generates sufficient operating cash flow to meet its liabilities.

In consideration of the Group’s going concern and following the initiation of silver production in the second quarter of 2018 and now achieving full commercial production in the third quarter of 2019 the Group’s priorities for fourth quarter and the full year ending 31 December 2020, are as follows:

- Although at the date of this report COVID-19 has not materially impacted the Group's silver production, there is no guarantee that it will not going forward, as such the forecast for the whole of 2020 has been revised to approximately 1.9 million ounces of silver;
- Following the developing of construction documentation for the new flotation plant at Vertikalny in Q3 2020, In Q4 2020, the Group will start the construction of the foundation for the new flotation plant;
- Complete the 2020 exploration program that target extension of existing deposits and new areas of significance with the intent to grow the Group's resources and establish future drilling programs;
- Continue to monitor all operations to further optimize operating costs and improve operational efficiencies; and
- Continue to build up operational capabilities and staffing and introduce new systems for production monitoring and management accounting.

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. As of April 2018, the Company attained first silver production as a result of commissioning activities and on 1 July 2019 the Company achieved full commercial production. 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, the Company 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 risk factors identified by the Company 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 the Company's actual results, events, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Although the Company 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 the Company assumes no obligation to update or revise them to reflect new events or circumstances, unless otherwise required by law.

CONTACT INFORMATION:

Vadim Ilchuk
President and Chief Executive Officer
T: +7 985 866 8877
info@silverbearresources.com

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

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