Notice of Annual General and Special Meeting of Shareholders

to be held on Wednesday, 30 September 2020

and

Management Information Circular

of

SILVER BEAR RESOURCES PLC

27 August 2020

If you have any questions about the information contained in this document or require assistance submitting your vote, please contact your professional advisor.

SILVER BEAR RESOURCES PLC

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

You are invited to our 2020 annual general and special meeting (the "**Meeting**") of shareholders of Silver Bear Resources Plc (the "**Corporation**") to be held at the following time and place:

When: Wednesday, 30 September 2020 at 9:00 a.m. (Toronto time) / 4:00 p.m. (Moscow time)

Where: The Corporation's Russian office, located at Business Centre Trekhprudny, Trekprudny per 9, Bld. 2, office 315-4 123001 Moscow, Russia

The purpose of the Meeting is to consider and, if thought fit, approve the following resolutions, which will be proposed as ordinary and special resolutions as indicated below:

Ordinary Resolutions

1 Financial Statements

To receive and adopt the audited financial statements of the Corporation for the fiscal year ended December 31, 2019, together with the Directors' report and the independent report of the auditors thereon.

2 Re-appointment of Auditors

To authorise the Directors to re-appoint BDO LLP (UK) as auditor of the Corporation to hold office from the conclusion of the Meeting to the conclusion of the next annual general meeting at which accounts are to be laid before the Corporation.

3 Auditors' Remuneration

To authorise the Directors to agree the auditors' remuneration.

Re-election of Directors

4 To re-elect Dominic Gualtieri as Director;

5 To re-elect Vadim Ilchuk as Director;

6 To re-elect Maxim Matveev as Director;

7 To re-elect Alexey Sotskov as Director; and

8 To re-elect Christopher Westdal as Director.

9 Authority to Allot Shares

THAT the Directors be generally and unconditionally authorized in accordance with section 551 of the Companies Act 2006 (United Kingdom) (the "Companies Act") to allot shares of the Corporation or grant rights to subscribe for or to convert any security into shares of the Corporation up to an aggregate nominal amount of £3,000 (being 3 million ordinary shares) under the Corporation's Security Based Compensation Plans (collectively the "Relevant Securities") provided that this authority shall expire fifteen months from the passing of the resolution or, if earlier, the conclusion of the next annual general meeting of the Corporation but, in each case, so that the Corporation may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or convert securities into shares pursuant to such an offer or agreement as if this authority had not expired.

The resolution revokes and replaces all unexercised authorities previously granted to the Directors to issue Relevant Securities but without prejudice to any issuance of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

For purposes of this notice of the Meeting and the enclosed management information circular (the "Circular"), "Security Based Compensation Plans" means the Corporation's existing stock option plan (the "Stock Option Plan"), share bonus plan and non-executive director subscription plan.

10 Re-approve the Stock Option Plan

To re-approve and confirm the existing Stock Option Plan, as amended, and the unallocated options thereunder, as further detailed in the enclosed Circular.

Special Resolutions

11 Disapplication of Pre-emption Rights

THAT subject to and conditional on the passing of resolution number 9, the Directors be generally empowered pursuant to section 570 of the Companies Act to allot equity securities (as such term is defined in section 560(1) of the Companies Act) for cash pursuant to the authority referred to in resolution number 9 above and/or pursuant to section 573 of the Companies Act to sell the shares of the Corporation held by the Corporation as treasury shares for cash, in each case, free of the restriction in section 561 of the Companies Act, such power to be limited to the allotment of equity securities pursuant to the Security Based Compensation Plans (as defined in resolution number 9) and/or sale of treasury shares for cash, in each case, up to a nominal amount of £3,000 (being 3 million ordinary shares), such power granted under this resolution to apply until fifteen months after the passing of this resolution, or, if earlier, the conclusion of the Corporation's next annual general meeting but, in each case, so that Corporation may make offers and enter into agreements before the power expires which would, or might, require equity securities to be allotted or rights to subscribe for or to convert any security into shares of the Corporation to be granted (or treasury shares to be sold) after the power expires and the Directors may allot equity securities or grant such rights (or sell treasury shares) under any such offer or agreement as if the power conferred had not yet expired.

This special resolution revokes and replaces all unexercised powers previously granted to the Directors to issue equity securities or sell treasury shares but without prejudice to any issue of equity securities or sale of treasury shares already made or agreed to be made pursuant to such authorities.

The directors of the Corporation have fixed the close of business on Thursday, 26 August 2020 as the record date ("Record Date") being the date for the determination of the registered holders entitled to receive notice of the Meeting and any adjournments(s) or postponement(s) thereof. The directors of the Corporation have fixed 9:00 a.m. (Toronto time) / 4:00 p.m. (Moscow time) on Monday, 28 September 2020 or 48 hours (excluding Saturdays, Sundays or public holidays) before any adjournments(s) or postponement(s) of the Meeting, as the time by which proxies to be acted upon at the Meeting shall be deposited with the Corporation's transfer agent. This notice is accompanied by a form of proxy, form of instruction and the Circular. If you are a registered shareholder, you may appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Corporation if you are unable to attend the Meeting. Please review the "Notes to the Notice of the Annual General Meeting" below and please review the enclosed Circular and date, sign and return the enclosed form of proxy to the Corporation's transfer agent by 9:00 a.m. (Toronto time) / 4:00 p.m. (Moscow time) on Monday, 28 September 2020. If you are a holder of depositary interests you are requested to complete, sign and return your form of instruction instructing Computershare Investor Services Limited ("Computershare") and return the enclosed form of instruction to Computershare by 9:00 a.m. (Toronto time) / 4:00 p.m. (Moscow time) on Monday, 28 September 2020 or 48 hours before any adjourned meeting, please follow the instructions contained in page 1 of the Circular. Please note that the Corporation is not using the notice-and-access mechanism under National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer and National Instrument 51-102 – Continuous Disclosure Obligations for distributing materials for the Meeting to registered and beneficial shareholders.

While as of the date of this Circular the Corporation is intending to hold the Meeting in physical face to face format, the Directors are continuously monitoring the current coronavirus (COVID-19) outbreak. In light of the rapidly evolving news and guidelines related to COVID-19, you are requested, in considering whether to attend the Meeting in person, you follow, among other things, the instructions of the applicable public health agencies and any local instructions. You should not attend the Meeting in person if you are experiencing any cold or flu-like symptoms. All shareholders are strongly encouraged to vote prior to the Meeting by any of the means described above.

Your participation at the AGM is important to your Board. The AGM is usually a good opportunity for shareholders to communicate directly with us, to express their views and to ask questions and we welcome your involvement. However the Board takes its responsibility to safeguard the health of its shareholders, stakeholders and employees very seriously and so the.Board reserves the right to take any additional precautionary measures we deem appropriate in relation to the Meeting in response to further developments in respect of the COVID-19 outbreak including, if we consider necessary or advisable, holding the meeting as a closed meeting where this is required to comply with current local requirements. In accordance with the Company's articles of association, the Board may put in place security arrangements necessary to comply with current requirements and shareholders, their proxies and corporate representatives who seek admission to the AGM may be denied entry where necessary to comply with local requirements. Accordingly, shareholders wishing to vote on any of the resolutions~, are urged to do so by appointing a proxy (who should be the Chairman of the Meeting) to vote on your behalf.

Changes to the Meeting date and/or means of holding the Meeting may be announced by way of press release. Please monitor our press releases as well as our website at www.silverbearresources.com for updated information. We advise you to check our website one week prior to the Meeting date for the most current information. We do not intend to prepare or mail an amended Circular in the event of changes to the Meeting format.

DATED at Moscow, Russia as of the 27th day August 2020.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) Vadim Ilchuk

President and Chief Executive Officer

Silver Bear Resources Plc (Registered office: 2nd Floor Regis House, 45 King William Street, London, United Kingdom, EC4R 9AN)

Notes to the Notice of Annual General and Special Meeting

1. Only shareholders of the Corporation are entitled to attend and vote at the Meeting. A shareholder of the Corporation entitled to attend and vote is entitled to appoint a proxy or proxies to attend, speak and vote instead of him/her. A shareholder of the Corporation may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not be a shareholder of the Corporation.

In light of the Covid-19 pandemic situation, it is possible that no shareholders, proxies or corporate representatives will be permitted to attend the Meeting in person.

2. A form of proxy for holders of ordinary shares without par value in the capital of the Corporation ("**Shares**") for use at the Meeting accompanies this document and, to be valid, must be completed and returned, together with any power of attorney or other authority under which it is signed, to Computershare Investor Services Limited, The Pavilions, Bridgwater Road, Bristol, BS99 6AY. In either case the form of proxy must be returned as soon as possible but in any event to be received not later than 9:00 a.m. (Toronto time) / 4:00 p.m. (Moscow time) on Monday, 28 September 2020 or 48 hours before any adjourned meeting.

In light of the Covid-19 pandemic situation, shareholders are urged to appoint the Chair of the meeting as his or her proxy as it is possible that no shareholders, proxies or corporate representatives may not be permitted to attend the Meeting in person.

3. A form of instruction for holders of depositary interests for use at the Meeting accompanies this document and, to be valid, must be completed and returned to Computershare as soon as possible but in any event to be received not later than 9:00 a.m. (Toronto time) / 4:00 p.m. (Moscow time) on Monday, 28 September 2020 or 48 hours before any adjourned meeting.

4. Completing a form of proxy does not prevent a shareholder from attending and voting in person if so entitled (and subject to the Covid-19 pandemic situation. A vote withheld option is provided on the form of proxy to enable you to instruct your proxy to abstain on any particular resolution. However, it should be noted that a "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes "For" and "Against" a resolution.

5. A shareholder must inform the Corporation's registrars in writing of any termination of the authority of a proxy.

6. In the case of joint holders of Shares, the signature of only one of the joint holders is required on the form of proxy but the vote of the first named on the register of members will be accepted to the exclusion of the other joint holders.

7. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights. The statements of the rights of Shareholders in relation to the appointment of proxies in this notice do not apply to a Nominated Person. The rights of Shareholders in relation to the appointment of proxies can only be exercised by registered Shareholders. Nominated Persons are reminded that they should contact the registered holder of their Shares (and not the Corporation) on matters relating to their investments in the Corporation.

8. To be entitled to attend and vote at the Meeting (for the purpose of the determination by the Corporation of the votes they may cast), a shareholder of the Corporation must be entered in the register of shareholders of the Corporation at 9:00 a.m. (Toronto time) / 4:00pm p.m. (Moscow time) on Monday, 28 September 2020 or 48 hours before any adjourned meeting.

9. During the Meeting there will be an opportunity for shareholders, proxies or corporate representatives to ask questions relevant to the business of the Meeting, to the extent permitted in light of the Covid-19 pandemic situation.

10. The following documents, which are available for inspection during normal business hours at the registered office of the Corporation on any weekday (Saturdays, Sundays and public holidays excluded), will also be available for inspection at the place of the Meeting from 8:30 a.m. (Toronto time) / 3:30 p.m. (Moscow Time) on the day of the Meeting until the conclusion of the Meeting:

    a. copies of the letter of appointment (and other related documents) of the non-executive directors of the Corporation; and

    b. the Articles of Association of the Corporation.

11. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same Shares. In light of the Covid-19 pandemic situation, it possible that no shareholders, proxies or corporate representatives will be permitted to attend the Meeting in person.

12. You may not use any electronic address provided either in this notice or in any related documents (including the form of proxy) to communicate with the Corporation for any purposes other than those expressly stated.

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ABOUT THE SHAREHOLDER MEETING

In this Management Information Circular (the "**Circular**"), references to the "**Corporation**", "**Silver Bear**", "**we**" and "**our**" refer to Silver Bear Resources Plc, and "Shares" refers to ordinary shares without par value in the capital of the Corporation. Unless otherwise stated, the information contained in this Circular is as of the Record Date. All dollar amount references in this Circular, unless otherwise indicated, are expressed in Canadian dollars. United States dollars are referred to as "United States dollars" or "US$".

Solicitation of Proxies

You have received this Circular because you are entered in the Corporation's register of members in respect of your shares ("**Ordinary Shares**") of Silver Bear Resources Plc as of the close of business on 26 August 2020 (the "**Record Date**"). If you are entered into the Corporation's register of members as holding Ordinary Shares on 9:00 a.m. (Toronto time) / 4:00 p.m. (Moscow time) on Monday, 28 September 2020 you are entitled to attend and vote at the 2020 annual general and special meeting (the "**Meeting**") of shareholders of the Corporation ("**Shareholders**") to be held at 9:00 a.m. (Toronto time) / 4:00 p.m. (Moscow time) on Wednesday, 30 September 2020 at the Corporation's Moscow Office.

The contents and the sending of this Circular have been approved by the Board of Directors of the Corporation (the "**Board**").

If you are a registered Shareholder, the Board is soliciting your proxy for the Meeting. It is expected the solicitation will occur primarily by mail, however, proxies may be solicited by other means by management, employee and outside agencies. All costs of solicitation by management will be borne by the Corporation. The Board has fixed 9:00 a.m. (Toronto time) / 4:00 p.m. (Moscow time) on Monday, 28 September 2020, or 48 hours (excluding Saturdays, Sundays or holidays) before any adjournment(s) or postponement(s) of the Meeting, as the time by which proxies to be acted upon at the Meeting shall be deposited with the Corporation's transfer agent.

These materials are being sent to both registered and non-registered Shareholders. The Corporation or its agent has obtained information regarding non-registered Shareholders in accordance with the applicable Canadian securities regulatory requirements from the intermediary holding your Ordinary Shares on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding Ordinary Shares on your behalf) has assumed responsibility for: (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The Corporation shall make a list of all persons who are registered Shareholders on the Record Date and the number of Ordinary Shares registered in the name of each person on that date. Each Shareholder is entitled to one vote on each matter to be acted on at the Meeting for each Ordinary Share registered in his name as it appears on the list. However, certain votes of certain Shareholders on certain matters may be excluded based on Toronto Stock Exchange ("**TSX**") requirements and requirements under applicable Canadian securities laws, all as further disclosed in this Circular.

While as of the date of this Circular the Corporation is intending to hold the Meeting in physical face to face format, the Directors are continuously monitoring the current coronavirus (COVID-19) outbreak. In light of the rapidly evolving news and guidelines related to COVID-19, you are requested, in considering whether to attend the Meeting in person, you follow, among other things, the instructions of the applicable public health agencies and any local instructions. You should not attend the Meeting in person if you are experiencing any cold or flu-like symptoms. All shareholders are strongly encouraged to vote prior to the Meeting by any of the means described above.

Your participation at the AGM is important to your Board. The AGM is usually a good opportunity for shareholders to communicate directly with us, to express their views and to ask questions and we welcome your involvement. However the Board takes its responsibility to safeguard the health of its shareholders, stakeholders and employees very seriously and so the.Board reserves the right to take any additional precautionary measures we deem appropriate in relation to the Meeting in response to further developments in respect of the COVID-19 outbreak including, if we consider necessary or advisable, holding the meeting as a closed meeting where this is required to comply with current local requirements. In accordance with the Company's articles of association, the Board may put in place security arrangements necessary to comply with current requirements and shareholders, their proxies and corporate representatives who seek admission to the AGM may be denied entry where necessary to comply with local requirements. Accordingly, shareholders wishing to vote on any of the resolutions~, are urged to do so by appointing a proxy (who should be the Chairman of the Meeting) to vote on your behalf. Changes to the Meeting date and/or means of holding the Meeting may be announced by way of press release. Please monitor our press releases as well as our website at www.silverbearresources.com for updated information. We advise you to check our website one week prior to the Meeting date for the most current information. We do not intend to prepare or mail an amended Circular in the event of changes to the Meeting format.

Voting

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation.

You may appoint some other person or entity to represent you at the Meeting by inserting such person's name in the blank space provided in that form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of the transfer agent of the Corporation indicated on the enclosed envelope not later than the times set out above.

In addition to revocation in any other manner permitted by law, a Shareholder may revoke a proxy given pursuant to this solicitation by depositing an instrument in writing (including another proxy bearing a later date) executed by the Shareholder or by an attorney authorized in writing at 2nd Floor Regis House, 45 King William Street, London, United Kingdom, EC4R 9AN, the Corporation's UK registered office, at any time up to and including the last business day preceding the day of the Meeting.

In light of the Covid-19 pandemic situation, shareholders wishing to vote on any of the resolutions, are urged to do so by appointing a proxy (who should be the Chairman of the Meeting) to vote on your behalf.

Voting of Proxies

Registered Shareholders

You can vote in person or vote by proxy. Voting by proxy is the easiest way to vote because you can appoint anyone to be your proxyholder to attend the Meeting and vote your Ordinary Shares according to your instructions. This person does not need to be a Shareholder. The officers and/or directors named in the proxy form can act as your proxyholder and will vote your Ordinary Shares according to your instructions.

IN THE ABSENCE OF ANY DIRECTION IN THE FORM OF PROXY, IT IS INTENDED THAT IF MANAGEMENT'S PROXYHOLDERS ARE SELECTED, THAT SUCH ORDINARY SHARES WILL BE VOTED IN FAVOR OF THE MOTIONS PROPOSED TO BE MADE AT THE MEETING.

If you want to appoint someone else as your proxyholder, print that person's name in the blank space provided in the proxy form (or complete another proxy form) and send the form to the Corporation's transfer agent. Make sure this person is aware that you appointed them as your proxyholder and that they must attend the Meeting to vote on your behalf in accordance with your instructions. If you do not indicate your voting instructions, your proxyholder can vote your Ordinary Shares as he or she sees fit.

In light of the Covid-19 pandemic situation, shareholders wishing to vote on any of the resolutions, are urged to do so by appointing a proxy (who should be the Chairman of the Meeting) to vote on your behalf. At the time of printing this Circular, management is not aware of any amendments, variations or other matters to come before the Meeting. If any amendments, variations or other matters are properly brought before the Meeting, your proxyholder can vote your Ordinary Shares as he or she sees fit.

The transfer agent must receive the completed proxy form by 9:00 a.m. (Toronto time) / 4:00 p.m. (Moscow time) on Monday, 28 September 2020, or 48 hours (excluding Saturdays, Sundays or holidays) before any adjournment(s) or postponement(s) of the Meeting.

Non-Registered Shareholders

Non-registered Shareholders (each, a "Non-Registered Holder") are those holders who beneficially own Ordinary Shares registered in the name of an intermediary or depositary with whom the Non-Registered Holder deals in respect of the Ordinary Shares, such as, banks, trust companies, securities dealers (each, an "Intermediary") or in the name of a clearing agency such as CDS Clearing and Depository Services Inc. Canadian securities laws require the Corporation to send the Meeting materials to the Intermediaries and clearing agencies so they can distribute them to the Non-Registered Holders. These materials include, in the case of this Meeting, the notice of the Meeting, this Circular, a proxy or voting instruction form and a consent form to receive supplemental mailings.

Intermediaries and clearing agencies must forward the Meeting materials to Non-Registered Holders unless the Non-Registered Holder has waived the right to receive them or has otherwise objected. If you are a Non-Registered Holder and have not waived the right to receive the materials in connection with the Meeting or otherwise objected, your package includes either a form of instruction (not signed by your Intermediary), or a proxy form (signed by your Intermediary).
Either form instructs your intermediary (the registered Shareholder) to vote your Ordinary Shares according to your instructions. To be valid, the form of instruction must be completed and returned to Computershare Investor Services Limited, at the address indicated on the proxy, as soon as possible but in any event to be received not later than 9:00 a.m. (Toronto time) / 4:00 p.m. (Moscow time) on Monday, 28 September 2020 or 48 hours before any adjourned meeting.

Voting Securities and Principal Holders

The Corporation's share capital consists of 673,075,084 Ordinary Shares and 50,000 redeemable preference shares. As of the Record Date, the Corporation had 673,075,084 Ordinary Shares issued and outstanding and 50,000 redeemable preference shares issued and outstanding. To the knowledge of the directors and officers of the Corporation, as at the Record

Date, no person beneficially owns, directly or indirectly, or exercises control or direction over securities carrying more than 10% of the voting rights attached to the Ordinary Shares as at the date hereof, other than as set below.

Name	**Ordinary Shares owned or controlled**	**% of Outstanding Ordinary Shares**
Inflection Management Corporation Limited ("**Inflection**")	419,833,120	62.4%
A.B. Aterra Resources Ltd. ("**Aterra**")	166,611,092	24.8%

Interests of Informed Persons in Material Transactions

No informed person (as such term is defined under applicable securities laws) of the Corporation (and each of their associates or affiliates) has had any direct or indirect material interest in any transaction involving the Corporation since 1 January 2019 or in any proposed transaction which has materially affected or would materially affect the Corporation or its subsidiaries, except the following:

- On 24 December 2019, the Corporation amended its existing facilities agreement (the "**Facilities Agreement**") with Inflection, a major shareholder of the Corporation, and Unifirm Limited ("**Unifirm**"), an affiliate of Aterra, also a major shareholder of the Corporation by: (i) providing for two new term loan facility tranches of US$2 million each ("**Tranche H**" and "**Tranche I**") for an aggregate of US$4 million, which will become due and repayable on July 31, 2021; and (ii) extending the first interest period under the Facilities Agreement and revising the interest capitalization date to January 1, 2020.
- On 27 May 2020, the Corporation further amended its existing facilities agreement (the "**Facilities Agreement Amendment**") with Inflection, a major shareholder of the Company, and Unifirm, an affiliate of Aterra, also a major shareholder of the Company to: (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 a revised interest capitalization date of 1 April 2020.

Interests of Certain Persons in Matters to be Acted Upon

Other than as set forth in this Circular, no person who has been a director or executive officer of the Corporation at any time since the beginning of the last fiscal year, nor any individual proposed to be a director or officer of the Corporation, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors.

ANNUAL GENERAL MEETING BUSINESS

ORDINARY RESOLUTIONS

Financial Statements

Resolution 1 – the Shareholders are given the opportunity to receive and adopt the audited financial statements of the Corporation for the financial year ended 31 December 2019, together with the independent auditor's report thereon, copies of which are accessible under the Corporation's profile at www.sedar.com.

The Board recommends that Shareholders vote <u>FOR</u> the receipt and adoption of the audited financial statements of the Corporation for the financial year ended 31 December 2019, together with the independent auditor's report thereon.

Re-appointment of Auditors

Resolution 2 – at the Meeting, Shareholders will be asked to consider authorising the re-appointment of BDO LLP (UK), the current auditors of the Corporation (first appointed as auditors of the Corporation on 15 February 2019), as auditors of the Corporation from the conclusion of the Meeting to the conclusion of the next annual general meeting at which accounts are to be laid before the Corporation.

The Board recommends that Shareholders vote <u>FOR</u> the re-appointment of BDO LLP (UK) as auditors of the Corporation for the ensuing year.

The following table sets out the audit and audit-related fees billed by the Corporation's auditors for the two years ended 31 December 2019 and 2018.

Type of Work	Year Ended 31 December 2019	Year Ended 31 December 2018
Audit (1)	£ 115,300	£ 85,000
Total	£ 115,300	£ 85,000

(1) Aggregate fees billed for Silver Bear's annual financial statements and services normally provided by the auditor in connection with Corporation's statutory and regulatory filings.

For additional information about the Corporation's auditors and the Audit Committee, see "*About the Board – Committees of the Board – Audit Committee*".

Auditor's Remuneration

Resolution 3 – authorises the Directors to set the remuneration of BDO LLP (UK).

The Board recommends that Shareholders vote <u>FOR</u> Directors' authorisation to set the remuneration of BDO LLP (UK).

Re-Election of Directors

The Articles of Association of the Corporation (the "**Articles of Association**") require all directors to retire from office at each annual general meeting. To meet this requirement all current directors will retire at the Meeting. Mr. Gualtieri, Mr. Ilchuk, Mr. Matveev, Mr. Sotskov and Mr. Westdal, all current directors of the Corporation, have confirmed that they wish to stand for re-election as directors, to hold office until the next annual general meeting of the Corporation (the "**Nominees**"). At the Meeting, Shareholders will be asked to vote on resolutions 4 to 8 to authorise the re-election of each of these Nominees as directors of the Corporation.

As the Corporation has adopted a majority voting policy (the "**Major Voting Policy**"), the process for voting for election of each director will be by individual voting and not by slate. Each Shareholder can vote for or withhold from voting on the election of each director on an individual basis. See "*Corporate Governance Practices*" for more information on the Majority Voting Policy, including circumstances when a Nominee would be required to tender his resignation.

Director Profiles

Each of the five nominated directors are profiled below, including his or her background and experience, committee memberships, share ownership and other public company directorships. All of the Nominees are current directors of the Corporation.

Paul Dominic Gualtieri – Director	**Occupation, Business or Employment of Director Nominees**
Moscow, Russian Federation **Age:** 54 **Director Since:** 16 July 2008 **Independent:** Yes **2019 AGM Vote Results:** For: 99.1% Withheld: 0.9%	Mr. Gualtieri, director of Silver Bear. He has over 25 years of experience as a fund manager and investor in public and private companies. From 1996-2000 he ran the Russian operations of Franklin Templeton before becoming Group Managing Director for the company in South Africa. For eight years he was Managing Director and Head of Equities at Alfa Bank. During that time he served on the board of directors of the Russian stock exchange. He is also past-president of the Canadian Business Association in Russia. **Other Public Company Directorships:** None **2019 Board / Committee Memberships and Attendance[1]:** Board – 6 of 6 (100%) Audit Committee – 3 of 4 (75%) Corporate Governance, Environmental and Compensation Committee ("**Joint Committee**") – 3 of 3 (100%)[1] **Ordinary Shares / Options (as at 27 August 2020):** Shares – 411,670 Stock Options – 4,900,000

Note: [1] Mr. Gualtieri was appointed the Chair of the Joint Committee on January 12, 2016.

Vadim Ilchuk – President and CEO[1]	**Occupation, Business or Employment of Director Nominees**
Moscow, Russian Federation **Age:** 51 **Director Since:** 14 November 2018 **Independent:** No **2019 AGM Vote Results:** For: 99.1% Withheld: 0.9%	Mr. Ilchuk is the President, CEO and director of Silver Bear. Mr. Ilchuk has 19 years of experience in the mining industry and natural resource investment business. He has extensive background in mine finance and accounting, financial reporting, and cross-border M&A process and integration, as well as takeover rules and corporate governance. Mr. Ilchuk joined Silver Bear from RT-Business Development, Inc. where he held the position of Chief Financial Officer. He also served for a number of years in various managerial roles at Kinross Gold Corporation in both the United States and Russia. Mr. Ilchuk holds an Honours degree in Management Economics from the Northeaster State University, Russia and a Finance degree from the University of Alaska, USA. Mr. Ilchuk is currently based out of Moscow to directly oversee the Corporation's operations in the Russian Federation. **Other Public Company Directorships:** None **2019 Board/Committee Memberships and Attendance[1]:** Board – 6 of 6 (100%) **Ordinary Shares and Options (as at 27 August 2020):** Shares – 5,000 Options – 3,800,000

Note: [1] Appointed President, CEO and director on November 14, 2018.

Maxim Matveev – Nominee Director[1]	Occupation, Business or Employment of Director Nominees
Moscow, Russian Federation **Age:** 47 **Director Since:** 27 June 2018 **Independent:** Yes **2019 AGM Vote Results:** For: 99.1% Withheld: 0.9%	Mr. Matveev is a Vice-President of Aterra Capital. He has more than 20 years of experience in corporate finance and equity capital markets. Prior to joining Aterra Capital in 2015, he was a senior metals and mining analyst at ING Bank. Before he joined ING in 2008, he worked in the Corporate Finance department of Deutsche Bank, holding a Vice President position, where he had extensive experience in both M&A and capital markets transactions. Mr. Matveev holds a Master's Degree in Science from the Moscow Institute of Physics and Technology. He is a CFA charter holder, a director of Aterra and holds a diploma in Company Direction from the Institute of Directors (UK). **Other Public Company Directorships:** None **2019 Board / Committee Memberships and Attendance:** Board: 6 of 6 (100%) Audit Committee: 4 of 4 (100%)[2] Joint Committee: 3 of 3 (100%) **Ordinary Shares and Options (as at 27 August 2020):** Shares – 112,483 Options – NIL

Note: [1] Mr. Matveev is a nominee of Aterra; Aterra beneficially owns 166,611,092 Ordinary Shares.
Note:[2] Mr. Matveev was appointed Chair of the Audit Committee in 27 June 2018.

Alexey Sotskov - Director[1]	Occupation, Business or Employment of Director Nominees
Moscow, Russian Federation **Age:** 49 **Director Since:** 18 August 2014 **Independent:** Yes **2019 AGM Vote Results:** For: 99.1% Withheld: 0.9%	Mr. Sotskov has more than 15 years of project management experience in the technology and business process optimization sectors. Currently, he is the nominee of Inflection. Previously, he was the Project Portfolio Manager of Technonicol, a large Russian manufacturer and distributor of construction materials. Prior to joining Technonicol, Mr. Sotskov led certain business optimization and ERP implementation programs for TNK-BP, a major vertically integrated Russian oil company headquartered in Moscow and for Kinross Gold. Mr. Sotskov holds a Master's Degree in Science and Applied Mathematics from the Moscow Institute of Physics and Technology. Mr. Sotskov was appointed Deputy CEO of the Corporation on July 23, 2018. **Other Public Company Directorships:** None **2019 Board/Committee Memberships and Attendance[2]:** Board – 6 of 6 (100%) **Ordinary Shares and Options (as at 27 August 2020):** Shares - 425,000 Options – 4,900,000

Note: [1] Mr. Sotskov is a nominee of Inflection. Inflection beneficially owns 419,833,120 Ordinary Shares.
Note: [2] Mr. Sotskov stepped down from both the Joint and Audit Committees on July 23, 2018.

Chris Westdal – Chairman[1, 2]	Occupation, Business or Employment of Director Nominees
Ottawa, ON, Canada **Age:** 72 **Director Since:** 26 October 2007 **Independent:** Yes **2019 AGM Vote Results:** For: 99.1% Withheld: 0.9%	Mr. Westdal is a former Canadian diplomat with 22 years of experience in the field, 16 of which were spent heading Canadian Embassies, High Commissions and international delegations. Mr. Westdal was Ambassador to Russia (2003 to 2006), the United Nations Office in Geneva (1999 to 2003), Ukraine (1996 to 1998), South Africa (1991 to 1993) and Bangladesh and Burma (1982 to 1985). Prior assignments abroad included India and Nepal (from 1973 to 1975, responsible for CIDA programming), and Tanzania (from 1970 to 1973, as a member of University of Toronto's economic advisory team). In Ottawa, he was Director General of the Foreign Ministry's International Organizations Bureau from 1987 to 1991, Assistant Secretary at the Privy Council Office to the Cabinet Committee on Foreign Policy and Defense (1976 to 1978, 1985 to 1987), and CIDA Regional Director for East Africa from 1978 to 1982. Mr. Westdal holds a Bachelor of Arts degree from St. Johns College and a Master of Business Administration from the University of Manitoba. **Other Public Company Directorships:** None **2019 Board/Committee Memberships and Attendance[2]:** Board – 6 of 6 (100%)[1] Audit Committee – 4 of 4 (100%) Joint Committee – 3 of 3 (100%) **Ordinary Shares and Options (as at 27 August 2020):** Shares – 907,544 Options – 4,900,000

Note: [1] Mr. Westdal was appointed Non-Executive Chairman of the Board on January 12, 2016.
Note: [2] Mr. Westdal was appointed to both the Audit and Joint Committees on July 23, 2018.

The Board recommends that Shareholders vote <u>FOR</u> the re-election of each of the Nominees as Directors of the Corporation to hold office for the ensuing year or until their earlier resignation or removal.

Orders, Penalties and Bankruptcies

No proposed director of the Corporation is, as of the date of this Circular, or has been, within the ten years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No proposed director of the Corporation has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No proposed director of the Corporation is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that was subject to: (i) an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of the above section, the term "order" means:

(i) a cease trade order;

(ii) an order similar to a cease trade order;

(iii) an order that denied the relevant company access to any exemption under securities legislation, or

(iv) that was in effect for a period of more than 30 consecutive days.

No proposed director of the Corporation has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Authority to Allot Shares

Resolution 9 – deals with the Directors' authority to issue Relevant Securities (as defined in the Notice) in accordance with the Articles of Association. The current authority to issue Shares expires at the Meeting and the Directors are seeking renewal of the current authority given to them.

This resolution will, if passed, authorise the Directors to issue up to an aggregate nominal amount of £3,000 (being 3 million Ordinary Shares) under the Corporation's Security Based Compensation Plans (as defined in the Notice).

The authority granted by this resolution will expire fifteen months after the passing of the resolution or, if earlier, the date of the next annual general meeting of the Corporation.

The Directors intend to utilise this authority and to issue rights to acquire shares under the Corporation's Security Based Compensation Plans in the next 12 months in such numbers and on such terms as may be approved by the Board from time to time.

The Board recommends that Shareholders vote <u>FOR</u> resolution #9.

Re-Approval the Stock Option Plan

Resolution 10 – The TSX requires that unallocated securities under securities based compensation arrangements that do not have a fixed maximum be approved by shareholders every three years from the date of implementation. The Corporation's stock option plan (the "**Stock Option Plan**") is considered to be such a plan since the Shares covered by options (the "**Silver Bear Options**") which have been exercised shall be available for subsequent grants under the Stock Option Plan, and the number of Silver Bear Options available to grant increases as the number of issued and outstanding Shares increases. A summary of the terms and conditions of the Stock Option Plan, including an amendment to the Stock Option Plan approved by the Board on 27 August 2020, may be found at "*Executive Compensation – Security Based Compensation Plans – Stock Option Plan"* in this Circular. That summary is qualified in its entirety by the full text of the Stock Option Plan which is attached to this Circular as Schedule "B".

Shareholders last approved the Stock Option Plan in June 2017. Accordingly, the three year term prescribed by the TSX expired in 2020. At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution re-approving and confirming the Stock Option Plan, as amended, and the unallocated Silver Bear Options under the Stock Option Plan, the full text of such resolution being set out below (the "**Stock Option Plan Resolution**"). If approval of the Stock Option Plan Resolution is not obtained at the Meeting, Silver Bear Options which have not been allocated as at the date of the Meeting will be cancelled and the Corporation will not be permitted to make further grants until Shareholder approval is obtained. Previously allocated Silver Bear Options will continue to be unaffected by the approval or disapproval of the Stock Option Resolution until they are subsequently cancelled, terminated or exercised. The rules of the TSX require that the Stock Option Plan Resolution receives the affirmative vote of a majority of the votes cast at the Meeting. Approval of the Stock Option Resolution will be effective for three years from the date of the Meeting, therefore expiring on 30 September 2023.

The text of the Stock Option Plan Resolution to be submitted to Shareholders at the Meeting is set forth below, subject to such amendments, variations or additions as may be approved at the Meeting:

"NOW THEREFORE BE IT RESOLVED THAT:

1. *The Stock Option Plan, as amended, and the unallocated stock options issuable under the Stock Option Plan, as described in the Corporation's management information circular dated 27 August 2020, be and are hereby ratified, approved and confirmed, subject to such amendments as may be required by the Toronto Stock Exchange;*
2. *The Corporation is authorised to continue granting stock options in accordance with the terms and conditions of the Stock Option Plan until 30 September 2023, which is the date that is three (3) years from the date where shareholder approval is being sought, as per the rules of the Toronto Stock Exchange; and*
3. *Any director or officer of the Corporation is authorized to execute and deliver all other documents and do all other acts and things as may be necessary or desirable to give effect to this resolution."*

The Board recommends that Shareholders vote <u>FOR</u> the Stock Option Plan Resolution. Unless otherwise indicated, the persons named in the accompanying proxy intend to vote <u>FOR</u> the Stock Option Plan Resolution.

SPECIAL RESOLUTIONS

Disapplication of Pre-emptive Rights

Resolution 11 – deals with Directors' authority to issue equity securities for cash without first offering them to existing Shareholders in proportion to their existing holdings. The current authority to disapply the pre-emptive expires at the Meeting and the Directors are seeking renewal of the current authority given to them.

This resolution will, if passed, give the Directors power, subject to the passing of resolution 9, to issue equity securities (as defined by section 560 of the Companies Act) for cash either pursuant to the authority conferred by resolution 9 or, by way of a sale, sell treasury shares (if any) without first offering them to existing Shareholders in proportion to their existing holdings, provided that this power will be limited to the issue of equity securities up to an aggregate nominal amount of £3,000 (being 3 million Ordinary Shares) under the Corporation's Security Based Compensation Plans.

The power granted by this resolution will expire fifteen months after the passing of the resolution or, if earlier, the date of the next annual general meeting of the Corporation.

The Directors intend to utilise this authority and to issue rights to acquire shares under the Corporation's Security Based Compensation Plans in the next 12 months in such numbers and on such terms as may be approved by the Board from time to time.

The Board recommends that Shareholders vote <u>FOR</u> resolution #11.

Other Matters

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice. However, if any other matter properly comes before the Meeting, the form of proxy furnished by the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Corporation and the Board recognize the importance of corporate governance in effectively managing the Corporation, protecting employees and Shareholders, and enhancing shareholder value.

The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. The directors are kept informed regarding the Corporation's operations at regular meetings and through monthly reports and discussions with management on matters within their particular areas of expertise. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Corporation's affairs and in light of opportunities or risks that the Corporation faces.

The Corporation believes that its corporate governance practices are in compliance with applicable Canadian requirements and as it is only listed on the TSX, it is not required to comply with UK corporate governance requirements. The Corporation is committed to monitoring governance developments to ensure its practices remain current and appropriate.

Ethical Business Conduct

The Board is apprised of the activities of the Corporation and ensures that it conducts such activities in an ethical manner. The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to consultants, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary actions for violations of ethical business conduct. In that regard, the Board has adopted the following measures and policies:

- *Code of Business Conduct* – the Board has adopted a Code of Business Conduct and Ethics (the "**Code**") for its directors, officers and employees. The Board, acting through the Audit Committee, has responsibility for monitoring compliance with the Code by ensuring all directors, officers and employees receive and become thoroughly familiar with the Code and acknowledge their support and understanding of the Code. Any non-compliance with the Code is to be reported to the appropriate person as prescribed by the Code. A copy of the Code may be accessed under the Corporation's profile at www.sedar.com, in addition a copy of the Code is also posted on the Corporation's website at www.silverbearresources.com.
- The Board takes steps to ensure that directors, officers and employees exercise independent judgment in considering transactions and agreements in respect of which a director, officer or employee of the Corporation has a material interest, which include ensuring that directors, officers and employees are thoroughly familiar with the Code and, in particular, the rules concerning reporting conflicts of interest and obtaining direction regarding any potential conflicts of interest. If any waivers from the Code are granted to directors or officers of the Corporation, the Board is required to disclose this in the ensuing quarterly or annual financial reporting. Activities which may give rise to conflicts of interest are prohibited unless specifically approved by the Board or the Audit Committee. Each director must disclose all actual or potential conflicts of interest to the Board or the Audit Committee and refrain from voting on all matters in which such director has a conflict of interest. In addition, if a conflict of interest arises, the director must excuse himself or herself from any discussion or decision on any matter in which the director is precluded from voting as a result of the conflict of interest.
- The Board has adopted an Insider Trading Policy which details when directors, officers and employees should not engage in trading of the Corporation's securities. A copy of the Corporation's Insider Trading Policy is available on the Corporation's website at www.silverbearresources.com.
- The Board has adopted a Majority Voting Policy, as more fully described on page 13 of this Circular. The Majority Voting Policy stipulates that an individual director nominee will submit his or her resignation to the Chairman of the Board for consideration by the Board promptly after an election of directors at a shareholder meeting if the votes "For" such individual director nominee represents less than the number of "Withheld" votes. A copy of the Corporation's Majority Voting Policy is available on the Corporation's website at www.silverbearresources.com.
- The Board has established an Anti-Bribery Policy in order to, among other things, encourage and promote a culture of ethical business conduct and practices. The Board encourages and promotes an overall culture of ethical business conduct by: (i) promoting compliance with applicable laws, rules and regulations; (ii) providing guidance to directors, officers and employees to help them recognize and deal with ethical issues; (iii) promoting a culture of open communication, honesty and accountability; (iv) and ensuring awareness of disciplinary action for violations of ethical business conduct.
- The Board has adopted a Whistleblower Policy which allows its directors, officers, consultants and employees who feel that a violation of the Code has occurred, or who have concerns regarding financial statement disclosure issues, accounting, internal accounting controls or auditing matters, to report such violations or concerns on a confidential and anonymous basis. Reporting a violation of the Code is made by informing anonymously to the whistleblower hotline or URL or (if desired) directly to a member of the Audit Committee, who then investigates each matter so

reported and takes corrective and disciplinary action, if appropriate. Reporting concerns regarding financial statement disclosure or other appropriate issues are to be forwarded in a confidentially to the Chairman of the Audit Committee who then investigates each matter reported and takes corrective and disciplinary action, if appropriate.

- The Board has adopted a Corporate Disclosure Policy to ensure that all communications originating from the Corporation provide current and potential Shareholders with important and meaningful information on a timely basis and to ensure that the Corporation avoids selective disclosure. A copy of the Corporation's Disclosure Policy can be found on the Corporation's website at www.silverbearresources.com.
- The Board encourages management to consult legal and financial advisors to ensure the Corporation is meeting its corporate governance requirements and obligations on an as needed basis.

Director Tenure

The Board has not adopted a formal policy limiting the terms of the directors sitting on the Board. It is the Corporation's view that the inherent knowledge gained from experience is of enormous value for a company that is currently in early production stage. In addition, the Corporation operates in Russia, a jurisdiction where experience plays an even greater part in successful natural resource project development. As a result, the Corporation considers that directors are best permitted to remain with the Corporation so that the Corporation can continue to benefit from the knowledge gained by such directors during their directorships.

The following chart lists each of the Corporation's current directors and their approximate years of service on the Board of the Corporation. The Board believes the below data suggests an appropriate degree of turnover and renewal while maintaining board continuity and knowledge.

Name of Director	Approximate Years
Dominic Gualtieri	12.0
Vadim Ilchuk	1.5
Maxim Matveev	2.0
Alexey Sotskov	6.0
Chris Westdal	13.0

Representation of Women in the Director Identification and Selection Process

The Board has not adopted a written policy regarding the representation, identification and nomination of women to the Board. Given the size and stage of development of the Corporation, the Board has not set any targets with regards to the representation of women on the Board. Despite the absence of a formal policy regarding the representation of women on the Board, the Corporation has had female representation on the Board in the past. At this time, there are no female Board members. The Board undertakes a thorough process for the identification and nomination of new directors to the Board. Director candidates are assessed on their individual qualifications, experience and expertise and the Governance, Environmental and Compensation Committee ("**Joint Committee**") also considers matters related to skills, integrity, professionalism, values and independent judgement, prior to recommending a new Board member. The emphasis on filling Board vacancies is on finding the best qualified candidates that reflect Silver Bear's specific needs and that will add value to the Corporation.

Representation of Women in Executive Officer Appointments

Despite the absence of a formal policy regarding representation of women in executive officer positions, currently, of the three senior executive officers of the Corporation, one is a female, representing 33% of the Corporation's officers. Based on the Corporation's current stage of construction and development, the emphasis of filling executive officer positions is on finding the best qualified and experienced candidates that reflect the Corporations current needs. In addition, the head of the Corporation's main subsidiary based in Russia, is a woman.

Targets for Representation of Women on the Board and in Executive Officer Positions

At this time the Board has not set any targets with regards to the representation of women on the Board and in executive officer positions. The Board considers numerous factors in identifying Board candidates and executive officers, including gender, education, industry experience, and independence. As the Corporation transitions towards a producer and increases its personnel, the Board will assess its corporate governance policies to include diversity targets when considering Board and executive officer appointments.

About the Board

Role of the Board, Chairman and CEO

The primary responsibility of the Board is to supervise the management of the business and affairs of the Corporation, providing governance and stewardship to the Corporation. In discharging its fiduciary duties, the Board members are expected to use their experience and expertise to guide management and to ensure that good governance practices are adhered to. The Board oversees the Corporation's systems of corporate governance and financial reporting controls to ensure that the Corporation reports adequate and reliable information to its Shareholders and engages in ethical and legal conduct.

In addition to possessing the requisite skills and experience to carry out their functions, Board members must demonstrate a track record of honesty and ethical behaviour, responsibility and commitment to representing the long-term interests of the Corporation's stakeholders. The Board members must also be able to devote the time required to complete their duties and responsibilities effectively.

The complete responsibilities of the Board members are detailed in the Corporation's Charter of the Board of Directors, set out in Schedule "A" to this Circular. The role of the Chairman of the Board is delineated by the overall nature of the responsibilities of the Board detailed in the Charter of the Board of Directors, or in the committee charter (in the case of a Chair of a committee). The Board has not established specific written position descriptions for the Chairman of the Board and for the Chair of its Audit and Joint Committees.

The Board developed a written position description for the CEO in 2008 for the Corporation's predecessor entity, which was reviewed and adapted by the Corporation in 2017. The CEO's primary role is to lead and manage the Corporation in an effective, efficient and forward-looking way and to fulfil the priorities, goals and objectives determined by the Board in the context of the Corporation's strategic plans, budgets and responsibilities with a view of increasing shareholder value. The CEO is the main spokesperson for the Corporation and works with and is accountable to, the Board with due regard to the Board's requirement to be informed with respect to the developments of the Corporation.

Independence of the Board

The Board is currently comprised of five members, three members of which are independent, within the meaning of National Instrument 58-101 ("**NI 58-101**").

Director	Independent	Not Independent	Reason for Non-Independence
Vadim Ilchuk[1]		√	President and Chief Executive Officer of the Corporation
Maxim Matveev	√		--
P. Dominic Gualtieri	√		--
Alexey Sotskov		√	Deputy CEO of the Corporation
Christopher Westdal	√		--

Each of Messrs. Gualtieri, Matveev, and Westdal are independent within the meaning of NI 58-101. Mr. Ilchuk is not independent as he is the President and CEO of the Corporation and Mr. Sotskov is not independent as he is the Deputy CEO of the Corporation. The current Chair of the Board, Mr. Westdal, is an independent director and is not involved in the day-to-day operations of the Corporation. In the event a Chair is selected that is not independent, the Board, in accordance with the Board Mandate, will designate one of the independent directors as the lead director of the Corporation.

To facilitate the functioning of the Board independently of management, the following structures and processes are in place:

- A majority of the directors are independent;
- Members of management, including without limitation, the President and CEO and Deputy CEO of the Corporation, are not present for the discussion and determination of certain matters at meetings of the Board unless required;
- Each of the Audit and Corporate Governance, Environmental and Compensation ("**Joint Committee**") Committees of the Board are comprised solely of independent directors;
- Under the Articles of Association for the Corporation, any director may call a meeting of the Board;

- The President and CEO and CFO's compensation is considered by the Board, in his absence, and by the Joint Committee at least once a year;
- In addition to the standing committees of the Board, independent committees will be appointed from time to time, when appropriate; and
- The Board policy is to hold in-camera meetings with the independent directors at the end of each Board or committee of the Board meeting to the extent required.

Meetings of the Board and Committees of the Board in 2019

The Board meets a minimum of four times per year and more frequently, if deemed necessary. The Audit Committee of the Board meets a minimum of four times each year and more frequently, if deemed necessary. The Joint Committee of the Board meets a minimum of once a year and more frequently, if deemed necessary. The frequency of the meetings and the nature of the meeting agendas are dependent upon the nature of the business and affairs which the Corporation faces. During 2019, the Board met six times, the Audit Committee met four times, and the Joint Committee met three times.

The following table shows the director attendance record for the year ended December 31, 2019 for the Corporation.

Director	Board	Audit Committee	Joint Committee
Vadim Ilchuk	6 of 6 (100%)	-	-
Maxim Matveev	6 of 6 (100%)	4 of 4 (100%)	3 of 3 (100%)
P. Dominic Gualtieri	6 of 6 (100%)	3 of 4 (75%)	3 of 3 (100%)
Alexey Sotskov	6 of 6 (100%)	-	-
Chris Westdal	6 of 6 (100%)	4 of 4 (100%)	3 of 3 (100%)

The Board Charter

The Board has a charter which mandates the Board with the stewardship of the Corporation. A copy of the Board charter is set forth in Schedule "A" to this Circular.

Meetings of Independent Directors

The independent directors comprise the majority of the committees of the Board and hold in camera sessions without management at their committee meetings to review the business operations, corporate governance, compensation, and financial results of the Corporation. For each Director's attendance at duly scheduled meetings of the Corporation for the year ended 31 December 2019, please see the section above under the heading "*About the Board – Meeting of the Board and Committees of the Board in 2019*".

Nomination of Directors

The Board has established the Joint Committee**,** which has assumed responsibility for the appointment and assessment of directors. While there are no specific criteria for Board membership, the Corporation aims to attract and retain directors with business knowledge and a particular knowledge of mineral exploration and development, operating in Russia, and other areas (such as finance), which provide knowledge that would assist in guiding the officers of the Corporation. As such, nominations would normally be the result of recruitment efforts, references, and discussions amongst the Joint Committee, prior to the consideration by the Board as a whole.

Compensation

The Joint Committee reviews on an annual basis the adequacy and form of compensation of the senior executives and directors to ensure that such compensation reflects the responsibilities, time commitment and risks involved in being an effective executive officer or director, as applicable. See "Statement of Executive Compensation".

Board Assessments

The Board is committed to annual assessments of the effectiveness of the Board, the committees of the Board and the individual directors. The Joint Committee is charged with annually reviewing and making recommendations to the Board based on the evaluations of the Board, the committees of the Board and the individual directors.

The process for such Board evaluations includes the following:

(a) A self-evaluation questionnaire for each director;

(b) An evaluation questionnaire for the Chair;

(c) A Board member evaluation questionnaire completed by the Chair;

(d) Individual discussions between directors and the Chair of the Joint Committee; and

(e) Individual discussions with those members of senior management who regularly interact with the Board.

The Board will then consider the results and recommendations of the Joint Committee to determine what, if any, action should be taken.

Majority Voting Policy

The Corporation has adopted a Majority Voting Policy to provide a meaningful way for the Shareholders to hold individual directors accountable and to require the Corporation to closely examine directors that do not have the support of a majority of Shareholders. The policy provides that forms of proxy for the election of directors will permit a Shareholder to vote in favour of, or to withhold from voting, separately for each director nominee and that where a director nominee has more votes withheld than are voted in favour of him or her, the nominee will be considered not to have received the support of the Shareholders, even though duly elected as a matter of UK company law. Pursuant to the policy, such a nominee will forthwith submit his or her resignation to the Board, such resignation to be effective on acceptance by the Board. The Board will then establish an advisory committee (the "**Committee**") to which it shall refer the resignation for consideration. Any director nominee who is the subject to the reference to the Committee shall not participate in any deliberations or meetings of the Committee. Save in exceptional circumstances, the resignation shall be accepted. In considering whether exceptional circumstances exist justifying the director's continuance in office, the Board will consider the factors considered by the Committee and such additional factors and information that the Board considers to be relevant. If the Committee recommends that the Board accept a director's resignation and the Board accepts the director's resignation, the director's resignation shall be effective upon the Board's acceptance. The decision by the Board to accept or reject a director's resignation under this policy shall be made within 90 days from the date of the relevant meeting of shareholders. The Corporation shall promptly issue a news release with the Board's decision in respect of a resignation, with a copy of such news release being provided to the TSX.

This policy does not apply where an election involves a proxy battle (i.e., where proxy material is circulated in support of one or more nominees who are not part of the director nominees supported by the Board).

Orientation and Continuing Education

Generally, the Joint Committee is responsible for ensuring that new directors are provided with an orientation and education program, which will include written information about the duties and obligations of directors, the business and operations of the Corporation, documents from recent Board meetings, and opportunities for meetings and discussion with senior management and other directors. Directors are expected to attend all meetings of the Board and to prepare thoroughly in advance of each meeting in order to actively participate in the deliberations and decisions.

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. When possible, the Corporation invites Board members to site visits to help them develop a better understanding of the Corporation's exploration and development activities and assets. The Board notes that it has benefited from the experience and knowledge of individual members of the Board in respect of the evolving governance regime and principles. The Board ensures that all directors are apprised of changes in the Corporation's operations and business.

As part of the continuing education of directors, management makes regular presentations to the Board on specific aspects of the Corporation's business. Management provides the Board, on a monthly basis, a full report on the Corporation's operations and is available for questions and discussions at all times. In 2019, the Corporation invited its auditors to several Audit and Board meetings to educate members on new disclosure regulations. In previous years, the Corporation encouraged directors to attend, at the Corporation's expense, industry conferences and seminars on subjects related to the Corporation's business and all Board members are invited to visit the Corporation's operations in Russia on an annual basis to tour its operations and meet its Russian operations team. Due to government mandated COVID-19 restrictions, the 2020 Board site visit has been delayed.

On 16 January 2019, the Audit Committee Chairman, Mr. Maxim Matveev, completed the Chartered Director Program hosted by the Institute of Directors (UK) and was awarded the Certificate in Company Direction.

Committees of the Board

As of the date of this Circular, the Board had the following two standing committees:

- Audit Committee; and
- Corporate Governance, Environmental and Compensation Committee (the "**Joint Committee**").

All of the committees are comprised of directors who are independent and each of the committees report directly to the Board.

From time to time, when appropriate, ad hoc committees of the Board may be appointed by the Board.

Audit Committee

As at 31 December 2019 the Audit Committee consisted of Messrs. Matveev (Chair), Gualtieri, and Westdal, each of whom is considered by the Board an independent director and financially literate. The Audit Committee for the Corporation met four times in 2019.

The Audit Committee operates under guidelines established by Multilateral Instrument 52-110 – *Audit Committee.* In addition to carrying out its statutory legal responsibilities (including review of the Corporation's annual financial statements), the Audit Committee reviews accounting policies and issues and all financial reporting, including interim financial statements and management's discussion and analysis in the Corporation's annual report. The Audit Committee meets with the Corporation's external auditors (with and without management) and with members of management at least four times per year to assist it in the effective discharge of its duties. The Audit Committee also recommends to the Board the firm to be appointed as the Corporation's auditors and the terms of their remuneration.

Further information regarding the Audit Committee is contained in the Corporation's annual information form (the "**AIF**") dated April 2, 2020 under the heading "Audit Committee" and a copy of the Audit Committee charter is attached to the AIF as Appendix "A". The AIF is available under the Corporation's profile on the SEDAR website at www.sedar.com.

External Auditor

The Audit Committee pre-approves all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditors.

Please see page 3 of this Circular for the fees paid to external auditors in 2019 and 2018.

Joint Committee

For the year ended 31 December 2019, the Joint Committee consisted of Messrs. Gualtieri (Chair), Matveev and Westdal, all three of whom are considered by the Board to be independent directors. The Joint Committee met three times in 2019.

Joint Committee – Compensation

The Joint Committee has been established by the Board for the purpose of assisting the Board in discharging the Board's oversight and responsibilities relating to: (i) determining compensation and retention strategies for key senior management; (ii) recommending to the Board compensation policies; and (iii) evaluating short and long-term incentive compensation for the Corporation's directors and officers, including goals and objectives relating to compensation for the Corporation's Named Executive Officers ("**NEOs**") and the performance of the NEOs in light of the goals and objectives set by the Board.

Each member of the Joint Committee has more than 10 years of experience in their respective fields and, during that time, has been involved with implementing and reviewing compensation policies either when serving on other boards or as a business, political and mine finance executive. Each of Messrs. Gualtieri, Matveev and Westdal has held and/or currently hold senior roles with public or private companies or government institutions.

Joint Committee – Corporate Governance

In addition, the Joint Committee is charged with performing an annual evaluation of the effectiveness of the Board as a whole, the committees of the Board and the contributions of individual directors, as well as identifying and recommending new nominees to the Board and providing guidance to the Board on general matters of corporate governance.

Joint Committee – Safety, Health & Environment

The Joint Committee is also responsible for periodically reviewing the Corporation's environmental and occupational health and safety policies and standards. The members of the Joint Committee are appointed annually by the Board and serve at the pleasure of the Board until their successors are duly appointed.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

For the financial year ended 31 December 2019, the objectives of the Corporation's compensation strategy was to ensure that compensation for its NEOs is sufficiently attractive to recruit, retain and motivate high performing individuals to assist Corporation in achieving its goals. The Corporation attempts to ensure that compensation is also fair, balanced and linked to the performance of the Corporation and the individual NEO.

Compensation for the NEOs is composed primarily of three components: base fees, performance bonuses and stock based compensation. The determination of each component is based on informal discussions among the members of the Joint Committee who may draw upon their experience and broad knowledge of industry standards and performance based on informal expectations and goals. In establishing the levels of base fees, the award of stock options and performance bonuses, the Corporation informally considers individual performance, responsibilities and length of service. Performance is broadly reviewed and includes achievement of the Corporation's strategic objective of growth and the enhancement of shareholder value through increases in the net asset value of its investments. Performance bonuses are considered from time to time on a discretionary basis, as discussed in further detail below. The compensation determination process is discretionary and is not based on formal benchmarks or formal and specific quantified measures, other than with respect to the bonus pool calculation set out below.

The Board does not have a pre-determined compensation plan, but rather reviews the performance of the NEOs and considers a variety of factors informally. The Board believes that the compensation paid to each NEO during the last fiscal year was commensurate with the NEO's position, experience and performance.

Key factors impacting the current levels of NEO compensation include the need to retain experienced senior executives through the "higher risk" early commercial production period of the Mangazeisky silver project and the increasing size and complexity of the Corporation's operations. The production commissioning and operational and cost optimization programs for early production of the Mangazeisky silver mine entails setting specified milestones and rewarding executives upon the achievement of such milestones.

The Board believes that the compensation paid to each NEO during the last fiscal year was commensurate with the NEO's position, experience and performance.

Chairman Compensation

Mr. Chris Westdal was appointed Chairman of the Board of the Corporation in January 2016. As a non-executive Chairman, Mr. Westdal's compensation is detailed in the Directors section of this Circular. The Chairman acts as the primary spokesperson and leader for the Board, ensuring that management is aware of the concerns of the Board, Shareholders, other stakeholders and the public.

Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") Compensation

The Joint Committee:

(a) periodically reviews the terms of reference for the Corporation's President and CEO and CFO and recommends any changes to the Board for approval;

(b) reviews corporate goals and objectives relevant to the compensation of the President and CEO and CFO and recommends them to the Board for approval; and

(c) reviews, and if appropriate recommends to the Board for approval, any agreements between the Corporation and the President and CEO and CFO, including protections in the event of a change of control or other special circumstances, as appropriate.

As described above, the components of the President and CEO and CFO's compensation are composed primarily of three components namely, base salary, cash bonus or share bonus plan and longer-term incentives in the form of security-based compensation plans such as stock options.

Risks Associated with Compensation

In light of the Corporation's size and the balance between long-term objectives and short-term financial goals with respect to the Corporation's executive compensation program, the Board does not deem it necessary to consider at this time the implications of the risks associated with its compensation policies and practices.

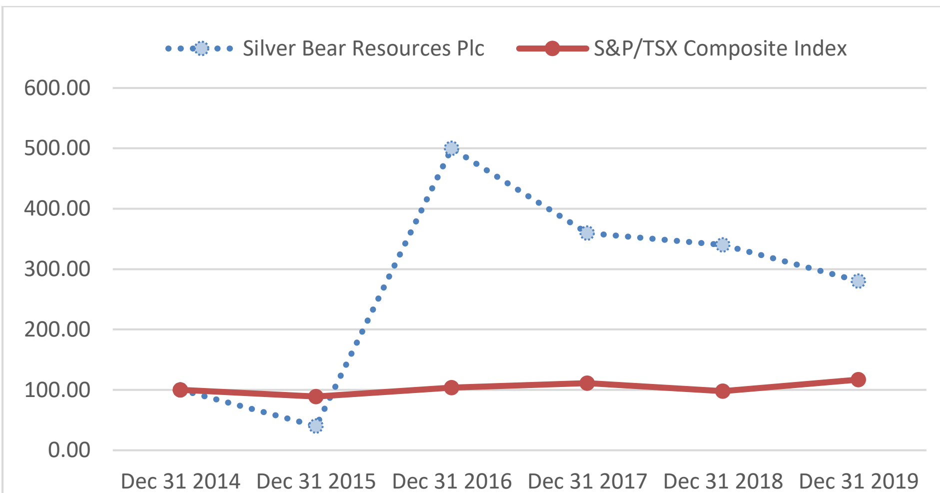
Financial Instruments

The Corporation does not currently have a policy that restricts directors or NEOs from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of Ordinary Shares. However, to the knowledge of the Corporation as of the date of hereof, no director or NEO of the Corporation has participated in the purchase of such financial instruments.

Performance Graph

The following graph sets out the relative performance of Silver Bear's Ordinary Shares versus the S&P / Toronto Stock Exchange Composite Index for the period 31 December 2014 until 31 December 2019.

Cumulative Total Return on C$100 Investment



The Corporation's share price is directly impacted by a number of factors including general and industry-specific economic and market conditions and the market price of silver, fluctuations of which are difficult to predict and are beyond the Corporation's control. The Corporation considers that the decrease in the market price of its Shares until mid-2016, depicted in the graph above, was mostly due to the increased reluctance of capital markets to invest in Russian-based companies. The performance of its Shares since 2016 and up to present is representative of several factors namely:

- During 2016, the Corporation finalized its debt Facilities Agreement with its major Shareholders, Aterra and Inflection, increased its National Instrument 43-101 mineral resource inventory, completed its Vertikalny feasibility study and began construction on its Vertikalny deposit;
- In Mid-2017, the Corporation continued to improve the confidence and quality of its NI 43-101 mineral resource inventory, updated its Vertikalny feasibility study and completed preliminary economic assessment on the Mangazeisky North deposit resulting in positive impact on the project economics. Construction at the mine development continued to advance during 2017;
- In April 2018, the Corporation announced that it had attained pre-commercial silver production as a result of its commissioning activities at site; and
- In July 2019, the Corporation announced that it had attained commercial production, a major milestone for the Corporation, with increasing operational efficiencies, the Corporation has increased silver production and recoveries quarter over quarter.

Since 2013, executive compensation was reflective of the decrease in shareholder value whereby overall compensation earned by the NEO's decreased. Also, during the period between 2013 and 2014, a portion of the compensation paid to management and directors was paid in stock options and Shares under the Share Bonus Plan and as such, the value of the compensation was directly related to the performance of the Corporation's Shares. From 31 December 2014 to 31 December 2019 the share price of the Corporation has increased by 180% compared to an increase in the S&P/TSX Composite Index of 17% during the corresponding five-year period.

Components of Compensation

Base Fees

Salaries form an essential component of the Corporation's compensation mix as they are the first base measure to remain competitive relative to industry compensation practices, are fixed and therefore not subject to uncertainty and can be used as the base to determine other elements of compensation and benefits. In determining the base salary of an executive officer, the Joint Committee takes into account the recommendations from the President and CEO of the Corporation and may consider the particular responsibilities related to the position; what the Joint Committee members believe is industry practice; the relevant market place information, experience, expertise and level of the executive officer; his or her length of service; level of responsibilities; and his or her overall performance based on informal feedback.

There is no mandatory framework that determines which of these factors may be more or less important and the emphasis placed on any of these factors may vary among the executive officers. The determination of base salaries relies principally on negotiations between the respective NEO and the Corporation and is therefore heavily discretionary.

Bonus Payments

The purpose of the Corporation's bonus program is to provide the NEOs with the opportunity to receive an annual cash incentive that is related to the progress of the Corporation and individual performance. Through informal discussions among management, executive officers are eligible for annual cash bonuses. The Corporation is focused on the investment and management of small-cap companies in the resource sector. As a result, the Joint Committee believes that financial incentives should relate to the accomplishment of a key milestone relating to the success of the Corporation's investment portfolio, among other corporate developments. The Joint Committee may, at its discretion, approve management bonuses for corporate achievements that may occur outside of the scope of the investment portfolio.

Security Based Compensation Plans

Stock Option Plan

The Joint Committee believes that granting Silver Bear Options to key personnel encourages retention and more closely aligns the interests of recipients of Silver Bear Options, including executive management of the Corporation, with the interests of Shareholders. The inclusion of Silver Bear Options in compensation packages allows the Corporation to compensate employees while not drawing on limited cash resources. The number of Silver Bear Options to be granted is based on the relative contribution and involvement of the individual in question and consideration of previous Silver Bear Option grants.

The Corporation adopted a Stock Option Plan that was approved by Shareholders at the annual general and special meeting in June 2017. On 27 August 2020, pursuant to the terms of the Stock Option Plan, the Board amended the Stock Option Plan to include a cashless exercise provision (Section 2.8 in the amended Stock Option Plan) (the "**Cashless Exercise Provision**"). Following such amendment, Eligible Participants (as defined below) under the Stock Option Plan may now, instead of exercising a Silver Bear Option for cash, elect to surrender such Silver Bear Option to the Corporation in consideration for an amount from the Corporation equal to the amount by which (i) the aggregate fair market value of the Ordinary Shares issuable under such Silver Bear Option, exceeds (ii) the aggregate exercise price in respect of such Silver Bear Option (the "**In-the-Money Amount**"). The Corporation has the right to satisfy payment of the In-the-Money Amount, following payment of taxes to the relevant taxation authority on behalf of the participant (the "**Remittance Amount**"), in either Ordinary Shares or cash in an amount equal to the amount by which the In-the-Money Amount exceeds the Remittance Amount. The full number of Ordinary Shares issuable pursuant to any Silver Bear Options exercised pursuant to the Cashless Exercise Provision will be fully deducted from the reserve of Ordinary Shares which may be issued under the Stock Option Plan. Under the terms of the Stock Option Plan, the Board was empowered to implement the Cashless Exercise Provision without Shareholder approval.

In accordance with rules of the TSX, the Corporation is required to seek Shareholder approval for its Stock Option Plan every three years. The Stock Option Plan was last approved by Shareholders on 23 June 2017. Accordingly, the re-approval of the Stock Option Plan, as amended, by the Shareholders is being sought by the Corporation at the Meeting. See "*Annual General Meeting Business – Re-Approval of the Stock Option Plan*" for the full text of the Stock Option Resolution being put to the Shareholders at the Meeting.

The following is a summary of the terms of the Stock Option Plan, which is qualified in its entirety by the provisions of the Stock Option Plan which is attached to this Circular as Schedule "B":

- The number of Silver Bear Options that may be granted pursuant to the Stock Option Plan, and other entitlements under any other Security Based Compensation Plan, shall not exceed 10% of the number of issued and outstanding Ordinary Shares at the time of the stock option grant, from time to time. The Stock Option Plan is considered to be an "evergreen plan" since the Ordinary Shares covered by options which have been exercised shall be available for subsequent grants under the Stock Option Plan, and the number of options available to grant increases as the number of issued and outstanding Ordinary Shares increase.

- Silver Bear Options are non-assignable, other than by will or by applicable laws of descent, and may be granted to employees, officers, directors and certain consultants of the Corporation and designated affiliates (the **"Eligible Participants**").

- Eligible Participants under the Stock Option Plan may now exercise their Silver Bear Options pursuant to the Cashless Exercise Provision as summarized above.

- Upon the termination of an optionholder's engagement with the Corporation, the cancellation or early vesting of any Silver Bear Option shall be in the discretion of the Board. In general, the Corporation expects that Silver Bear Options will be cancelled 90 days following an optionholder's termination from the Corporation. In the case of an Eligible Participant being dismissed from employment or service for cause, the Silver Bear Option shall immediately terminate and shall no longer be exerciseable as of the date of such dismissal.

- The aggregate number of Ordinary Shares issuable, at any time, pursuant to the Stock Option Plan and the other Security Based Compensation Plans to insiders of the Corporation shall not exceed 10% of the Ordinary Shares outstanding.

- The aggregate number of Ordinary Shares issued, within any one year period, pursuant to the Stock Option Plan and the other Security Based Plans to insiders of the Corporation shall not exceed 10% of the Ordinary Shares then outstanding.

- The periods within which Silver Bear Options may be exercised and the number of Ordinary Shares which may be issuable upon the exercise of Silver Bear Options in any such period shall be determined by the Board at the time of granting such Silver Bear Options provided, however, that all Silver Bear Options must be exercisable during a period not extending five (5) years from the date of the grant of a Silver Bear Option.

- The Board at their discretion has the power to determine the time, or times when Silver Bear Options will be granted, vest and be exercisable and to determine when it is appropriate to accelerate when options otherwise subject to vesting may be exercised.

- In the event that the expiry date of a Silver Bear Option falls within, or within two (2) days of, a trading blackout period imposed by the Corporation (the "**Blackout Period**"), the expiry date of such option shall be automatically extended to the 10th business day following the end of the Blackout Period.

- The exercise price per Silver Bear Option shall be determined by the Board at the time such Silver Bear Option is granted, but, in any event, shall not be less than the closing price of the Ordinary Shares on the TSX on the trading day immediately preceding the date of the grant of the Silver Bear Option.

- Certain amendments to the Stock Option Plan require Shareholder approval, including but not limited to: (i) any amendment to the number of securities issuable under the Stock Option Plan; (ii) any reduction to the exercise price or extension to the term of a Silver Bear Option held by an insider; (iii) any amendments to remove or exceed the limits set forth under the Stock Option Plan, both to insiders and Eligible Participants; (iv) any change to the definition of Eligible Participants which would have the potential of narrowing or broadening or increasing insider participation; and (v) the addition of any form of financial assistance.

- Certain amendments to the Stock Option Plan do not require Shareholder approval, including but not limited to: (i) amendments of a housekeeping nature; (ii) the addition of or a change to vesting provisions of a security or the Stock Option Plan; (iii) a change to the termination provisions of a security or the Stock Option Plan which does not entail an extension beyond the original expiry date; and (iv) the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Stock Option Plan reserve.

- The Corporation will not provide financial assistance to any optionholder to facilitate the exercise of options under the Stock Option Plan.

The table below sets out the Ordinary Shares reserved for issuance under the Corporation's securities based compensation arrangements as of 31 December 2019.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities issued under the Share Bonus Plan (b)	Number of securities issued under the Subscription Plan (c)	Number of securities remaining available under equity compensation plans (c)
Equity compensation plans approved by security holders	25,051,000	$0.24	3,923,750	NIL	38,239,340
Equity compensation plans not approved by security holders	NIL	NIL	NIL	NIL	NIL
TOTAL	**25,051,000**	**$0.24**	**3,923,750**	**NIL**	**38,239,340**

As the date of this Circular, a total of 25,051,000 Ordinary Shares were issuable on the exercise of Silver Bear Options granted by the Corporation under the Stock Option Plan, a total of 3,923,750 Ordinary Shares were issued under the Share Bonus Plan and 934,132 Ordinary Shares were issued under the Subscription Plan, which represent, in the aggregate 29,908,882 Ordinary Shares or approximately 4.44% of the Ordinary Shares outstanding. Of the total Ordinary Shares issuable under the Security Based Compensation Plans, 24,957,882 are issuable to insiders, representing approximately 3.71% of the outstanding Ordinary Shares.

Based on the current number of issued and outstanding Ordinary Shares and the total number of the Ordinary Shares issuable under the Stock Option Plan and issued pursuant to the other Security Based Compensation Plans, as of the date hereof, 37,398,698 Ordinary Shares remain available for issuance under the Security Based Compensation Plans, collectively representing approximately 5.56% of the issued and outstanding Ordinary Shares.

Share Bonus Plan

The Corporation has a Share Bonus Plan, which was originally approved by the Shareholders in April 2013. Subsequently, Shareholders approved amendments to the Share Bonus Plan in July 2016 and June 2019. In July 2016, an amendment to the Share Bonus Plan increased the number of Ordinary Shares available for issuance from 2,500,000 to 5,400,000. In June 2019, an amendment to the Share Bonus Plan changed the number of Ordinary Shares available for issuance under the Share Bonus Plan to provide that Ordinary Shares cannot be issued under the amended Share Bonus Plan if the total number of Ordinary Shares issued under the amended Share Bonus Plan, together with the number of Silver Bear Options outstanding under the Stock Option Plan and the number of Ordinary Shares issued under the Subscription Plan (as defined below), at the time of the proposed share issue will represent more than 10% of the issued and outstanding Ordinary Shares.

As of the date hereof, a total of 3,923,750 Ordinary Shares have vested to certain officers, directors, employees and consultants of the Corporation under the Share Bonus Plan.

Non-Executive Director Subscription Plan

The Corporation also has a non-executive director subscription plan (the "**Subscription Plan**"), which was first approved by Shareholders in June 2019. The Subscription Plan allows the Corporation to grant Non-Executive Directors (as defined in the Subscription Plan) the right to apply a portion of their fees towards the subscription of Ordinary Shares.

As of the date hereof, a total of 934,132 Ordinary Shares have been issued to non-executive directors of the Corporation under the Subscription Plan.

The following is a summary of the terms of the Subscription Plan, which is qualified in its entirety by the provisions of the Subscription Plan.

- The Subscription Plan provides that Shares cannot be issued under the Subscription Plan if the total number of Shares issued under the Subscription Plan, together with the number of Silver Bear Options outstanding under the Corporation's Stock Option Plan and the number of Shares issued under the Share Bonus Plan since its inception, at the time of the proposed share issue will represent more than 10% of the issued and outstanding Shares at that time.

- It is expected that the portion of gross annual remuneration elected by each Participant (as defined in the Subscription Plan) to be applied towards the subscription of Shares will accrue on a monthly basis and Shares applied for by the Participants under the Subscription Plan will be issued on the last working day of each quarter, and provided that the recipient satisfies certain conditions including continued engagement by the Corporation or a subsidiary.
- Notwithstanding the previous paragraph, in the event of a consolidation, merger, amalgamation, arrangement, sale, lease, dissolution or other event that constitutes a "Change of Control" (as defined in the proposed Share Bonus Plan) takes place, all Shares applied for under any election notice under the Subscription Plan and in respect of which the subscription amount in the form of gross annual director remuneration has accrued, but not yet issued to a Participant, under the Subscription Plan will be issued.
- The aggregate maximum number of Shares available for issuance under this Subscription Plan shall be determined from time to time by the Committee, and the number of Shares to be issued to any one Non-Executive Director should not exceed 5% of the issued and outstanding Shares. The number of Shares to be issued to insiders of the Corporation, within any one-year period, and issuable to insiders of the Corporation, at any time, under the Subscription Plan, or when combined with all of the Corporation's other Security Based Compensation Plans, shall not exceed 10% of the Corporation's total issued and outstanding securities, at the time of issue.
- In the event that any Participant shall not abide by the terms and conditions set by the Committee in connection with the issuance of Shares under the Subscription Plan, including without limitation, the relevant Participant ceasing to be engaged by the Corporation due to resignation of the non-executive director from the Corporation's Board, all Shares applied for but not yet issued to a Participant and in respect of which the subscription amount in the form of gross annual remuneration has accrued, shall be issued on the relevant date.
- Except as otherwise may be expressly provided for under the Subscription Plan or pursuant to a will or by the laws of descent and distribution, no right or interest of a participant in the Subscription Plan is assignable or transferable.
- The Subscription Plan provides for amendment procedures that specify the kind of amendments to the Subscription Plan that will require Shareholder approval. The Board believes that except for certain material changes to the Subscription Plan it is important that the Board has the flexibility to make changes to the Subscription Plan without Shareholder approval in relation to minor changes of a "house-keeping nature" and any amendment to the class of participants eligible to participate under the Subscription Plan.

Burn Rate Disclosure

In accordance with requirements of the TSX, listed below are the annual burn rates of each Security Based Compensation Plan maintained by the Corporation for the three most recently completed fiscal years.

Security-based Compensation Share Plan	**Year-ended December 31, 2019**	**Year-ended December 31, 2018**	**Year-ended December 31, 2017**
Bonus Share Plan (total awards granted in the year)	5,000	1,600,000	0
Stock Option Plan (total awards granted in the year)	500,000	5,600,000	18,000,000
Subscription Plan (total awards granted in the year)	Nil	0	0
Issued securities (weighted average where required)	672,140,902	671,948,902	668,047,513
Burn Rate – Bonus Share Plan (expressed as a %)	0.006	0.24	0
Burn Rate – Stock Option Plan (expressed as a %)	0.074	0.83	2.69
Burn Rate – Subscription Plan (expressed as a %)	0	0	0
Burn Rate – Total (expressed as a %)	**0.08**	**1.07**	**2.69**

Notes: Newly issued shares will be issued by the Corporation in the year of vest or on exercise to satisfy awards to eligible employees under the terms of the Stock Option Plan. Awards made under the Share Bonus Plan and the Subscription Plan are not funded from treasury share or newly issued shares.

Other Compensation Matters

Directors' and Officers' Insurance and Indemnification

The Corporation maintains insurance for the benefit of its directors and officers against liability in their respective capacities as directors and officers. The Corporation has purchased in respect of directors and officers an aggregate of C$15,000,000 in coverage. The approximate amount of premiums paid by the Corporation during the financial year ended 31 December 2019 in respect of such insurance was C$29,900.

2019 Executive Compensation

Summary Compensation Table

The following table summarizes the compensation paid during the three financial years ended 31 December 2019, 2018 and 2017 in respect of the individuals who were carrying out the role of the CEO, and CFO for the Corporation. No other NEO other than the CEO and CFO at the end of the most recently completed financial year received total compensation which was individually more than $150,000 for that financial year. All amounts are in US dollars.

Name and principal position	Year Ended	Salary (US$)(1)	Share awards (US$)(2)	Option awards (US$)(3)	Non-equity incentive plan compensation (US$)		All other compensation (US$)(4)	Total compensation (US$)
					Annual incentive plans(3)	Long-term incentive plans		
Vadim Ilchuk President & CEO(7)	2019	81,488	622	-	-	-	-	82,110
	2018	127,024	-	512,971	-	-	1,323	641,318
	2017	89,037	-	-	-	-	19,127	108,164
Mikhail Ilyin CFO(8)	2019	37,401		51,721	-	-		89,122
	2018	-	-	-	-	-	-	-
	2017	-	-	-	-	-	-	-

Notes: Compensation paid as consulting fees under the independent contractor agreements with the NEO as described under the heading "Executive Compensation – Termination of Employment, Change in Responsibilities and Employment Contracts" of this Circular.

(1) The figures shown reflect the grant day fair value of the Ordinary Shares granted pursuant to the Share Bonus Plan as at the date of grant. Grant day fair value is determined by multiplying the number of Ordinary Shares issued under the Share Bonus Plan by the closing price of the Ordinary Shares on the TSX on the day preceding the grant date.

(2) The value ascribed to option grants represents non-cash consideration and has been estimated using the Black-Scholes Model, as at the date of grant. These amounts are not necessarily reflective of actual amounts that may be realized on exercise.

(3) Compensation received in the form of discretionary performance-based bonuses in accordance with the bonus compensation policy of the Corporation as described under the heading "Executive Compensation - Compensation of Officers – Compensation Discussion and Analysis" set out above.

(4) Mr. Vadim Ilchuk was appointed CFO of the Corporation on 1 July 2017 and was subsequently also appointed President, CEO and director of the Corporation on 14 November 2018.

(5) Mr. Mikhail Ilyin was appointed CFO of the Corporation on 10 June 2019.

Incentive Plan Awards

The following table provides information regarding the incentive plan awards for each NEO outstanding as of 31 December 2019.

Outstanding Share-Based Awards and Option-Based Awards

	Option Awards(3)				Share Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)(1)	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested ($)(2)	Market or payout value of vested share-based awards not paid out or distributed(2)
Vadim Ilchuk President & CEO(4)	NIL	266,667 at $0.22 266,667 at $0.30 266,666 at $0.35 1,000,000 at $0.18 1,000,000 at $0.25 1,000,000 at $0.30	04/04/23 04/04/23 04/04/23 11/14/23 11/14/23 11/14/23	NIL	NIL	NIL	C$33,075
Mikhail Ilyin CFO(5)	NIL	166,667 at $0.11 166.667 at $0.25 166,666 at $0.30	24/05/2024 24/05/2024 24/05/2024	C$4,167 NIL NIL	NIL	NIL	NIL

Notes:

(1) Based on the closing market price of $0.135 of the Ordinary Shares on 31 December 2019. The "in-the-money", if any, value is determined by the amount by which the closing market price exceeds the option exercise price on 31 December 2019.

(2) The amounts are based upon the grant date fair value as described in footnote 2 to the Summary Compensation Table for NEO on page 21 of the

Circular.

(3) These options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Ordinary Shares on the date of exercise.

(4) Mr. Vadim Ilchuk was appointed CFO of the Corporation on 1 July 2017, subsequently Mr. Ilchuk has also been appointed President, CEO and director of the Corporation on 14 November 2018. Mr. Ilchuk.

(5) Mr. Mikhail Ilyin was appointed CFO of the Corporation on 10 June 2019,

Value Vested or Earned in Most Recent Financial Year

The following table sets forth, for each NEO, the value vested for all outstanding option-based and share-based awards and the value earned for all non-equity incentive plan compensation during the financial year ended 31 December, 2019.

Name	Option-based awards – Value vested during the year[(1)] ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Vadim Ilchuk President & CEO	NIL	NIL	NIL
Mikhail Ilyin CFO	C$4,167	NIL	NIL

Notes:

(1) See the "Outstanding Share-Based Awards and Option-Based Awards" table for NEOs (above) for more information on the options awarded to NEOs.

Termination of Employment, Change in Responsibilities, and Employment Contracts

As the date of this Circular, the following describes the respective consulting agreements entered into by the Corporation and the Named Executive Officers.

Vadim Ilchuk, President, CEO and Director

On November 14, 2018, the Corporation amended Mr. Ilchuk's contract as a result of his appointment as President, CEO and director of the Corporation. Mr. Ilchuk's employment agreement allows for a base fee of US$11,667 per month. Mr. Ilchuk's base fee will be increased to US$14,167 on the first date of the quarter following which the Corporation demonstrates profitability based on EBITDA in accordance with IFRS. In the event of a termination of the agreement by the Corporation (excluding a termination for cause) or termination of the agreement by Mr. Ilchuk upon a Change of Control (as defined in the employment agreement) a lump sum payment will be made to Mr. Ilchuk in the amount of six (6) months compensations before deduction of taxes.

Under the Stock Option Plan, upon the occurrence of a change of control (as defined in the Stock Option Plan), the Stock Option Plan provides that options outstanding shall become immediately exercisable.

Mikhail Ilyin, CFO

On June 10, 2019, the Corporation amended Mr. Ilyin's contract as a result of his appointment as CFO of the Corporation. Mr. Ilyin's employment agreement allows for a base fee of US$ 5,300 per month. Under the Stock Option Plan, upon the occurrence of a change of control (as defined in the Stock Option Plan), the Stock Option Plan provides that options outstanding shall become immediately exercisable.

The estimated incremental payments, payables and benefits that might be paid to the current NEOs under various agreements plans and arrangements (those that have not been terminated as of the date of this Circular) in the event of termination without cause, disability or after a change of control (assuming such termination or change of control is effective as of the Record Date) is detailed below.

Named Executive Officer	Termination not for Cause (US$)	Termination on a Change of Control (US$)
Vadim Ilchuk		
Salary and Quantified Benefits	70,002	70,002
Bonus	NIL	NIL

Named Executive Officer	Termination not for Cause (US$)	Termination on a Change of Control (US$)
Acceleration of Options	NIL	NIL
Mikhail Ilyin		
Salary and Quantified Benefit	NIL	NIL
Bonus	NIL	NIL
Acceleration of Options	NIL	NIL
Total	**70,002**	**70,002**

Notes:

Indemnity Agreements and Directors' and Officers' Liability Insurance

The Corporation has not entered into indemnity agreements with its officers and directors.

As permitted by the Companies Act and the Articles, the Corporation has purchased Directors' and Officers' liability insurance covering the Corporation.

Director Compensation

Compensation of directors for the financial year ended 31 December 2019 was determined on a case-by-case basis with reference to the role that each director provided to the Corporation. The following information details compensation paid in the recently completed financial year to the directors of the Corporation.

Directors may also receive discretionary cash bonuses from time to time, which the Corporation awards to directors for serving in their capacity as a member of the Board.

The Corporation does not currently prescribe a set of formal objective measures to determine discretionary bonus entitlements. Rather, the Corporation uses informal goals which may include an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his/her position and contribution to the Corporation. Precise goals or milestones are not pre-set by the Board with the exception of the calculation of the bonus pool as it relates to performance bonuses, as set out under the heading "*Executive Compensation – Compensation Discussion and Analysis*".

In addition, directors are entitled to participate in the Corporation's Stock Option Plan and Share Bonus Plan, which are designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his/her position and contribution to the Corporation. Non-executive directors are eligible to elect to have a percentage of their director fees payed in Ordinary Shares under the Subscription Plan (as further detailed above). See "*Security Based Compensation Plans – Non-Executive Director Subscription Plan*".

Executive officers who also act as directors of the Corporation do not receive any additional compensation for services rendered in their capacity as directors.

During the financial year ended 31 December 2019, four directors were paid the fees in their capacity as directors of the Corporation as is set out in the table below. Note that disclosure regarding the compensation of NEOs can be found above under the heading "*Executive Compensation – Summary Compensation Table*". The directors, other than Vadim Ilchuk, received their compensation exclusively in their capacity as directors.

Director Summary Compensation Table

Name	Fees earned (US$)	Share awards (US$) [4]	Option awards (US$)[2]	Shares issued under security compensation plans (US$)[3]	All other compensation (US$)(1)	Total (US$)[6]	Fees outstanding at 31/12/2019	Fees outstanding as the date of the Circular
Maxim Matveev[5]	$70,000	NIL	NIL	NIL	Nil	$70,000	$70,000	$87,500
P. Dominic Gualtieri	$61,250	NIL	NIL	$8,750	Nil	$70,000	$26,250	$26,250
Alexey Sotskov	$60,000	NIL	NIL	NIL	Nil	$60,000	$60,000	$90,000
Chris Westdal	$87,500	NIL	NIL	$12,500	Nil	$100,000	$37,500	$37,500
TOTALS	**$278,750**	**NIL**	**NIL**	**$21,250**	**Nil**	**$300,000**	**$193,750**	**$241,250**

Notes:

(1) Other benefits did not exceed the lesser of $50,000 and 10% of the total annual compensation for the named director.

(2) There were no stock options granted by the Corporation to the directors holding office for the year ended 31December 2019.

(3) Compensation received in the form the Corporation's Ordinary Shares through the Corporation's Non-executive Director Subscription Plan approved by Shareholders in the Corporation's 2019 AGM.

(4) The figures shown reflect the grant day fair value of the bonus shares granted pursuant to the Share Bonus Plan. Grant day fair value is determined by multiplying the number of Ordinary Shares issued by the closing price of the Ordinary Shares on the TSX on 31 December 2019.

(5) Mr. Matveev replaced Mr. Granovsky as Aterra's board nominee in the 2018 AGM.

(6) Total includes director fees.

Outstanding Share-Based Awards and Option-Based Awards for Directors

	Option Awards[3]				Share Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)[1]	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested ($)[2]	Market or payout value of vested share-based awards not paid out or distributed[2]
Maxim Matveev	NIL	N/A	N/A	N/A	NIL	NIL	NIL
P. Dominic Gualtieri	400,000 1,500,000 1,500,000 1,500,000	$0.19 $0.17 $0.25 $0.30	18 May 2021 21 Dec 2022 21 Dec 2022 21 Dec 2022	NIL NIL NIL NIL	NIL	NIL	NIL
Alexey Sotskov	400,000 1,500,000 1,500,000 1,500,000	$0.19 $0.17 $0.25 $0.30	18 May 2021 21 Dec 2022 21 Dec 2022 21 Dec 2022	NIL NIL NIL NIL	NIL	NIL	NIL
Chris Westdal	400,000 1,500,000 1,500,000 1,500,000	$0.19 $0.17 $0.25 $0.30	18 May 2021 21 Dec 2022 21 Dec 2022 21 Dec 2022	NIL NIL NIL NIL	NIL	NIL	NIL

Notes:

(1) Based on the closing market price of $0.135 of the Ordinary Shares on 31 December 2019. The "in-the-money", if any, value is determined by the amount by which the closing market price exceeds the option exercise price on 31 December 2019.

(2) The amounts are based upon the grant date fair value as described in footnote 2 to the Summary Compensation Table for NEO on page 21 of the Circular.

(3) These options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Ordinary Shares on the date of exercise.

Value Vested or Earned in Most Recent Financial Year

The following table sets forth, for each Director, the value vested for all outstanding option-based and share-based awards and the value earned for all non-equity incentive plan compensation during the financial year ended 31 December, 2019.

Name	Option-based awards – Value vested during the year[(1)] ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Maxim Matveev[(5)]	NIL	NIL	NIL
P. Dominic Gualtieri	NIL	NIL	NIL
Alexey Sotskov	NIL	NIL	NIL
Chris Westdal	NIL	NIL	NIL

Notes:

(1) See the "Outstanding Share-Based Awards and Option-Based Awards" table for Directors (above) for more information on options awarded to directors.

Other Arrangements

Other than as disclosed above, none of the NEOs or directors of the Corporation were compensated by the Corporation during the financial year ended 31 December 2019 pursuant to any other compensation arrangement.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

As at the date of this Circular, and for the financial year ended 31 December 2019, no director or executive officer of the Corporation or Nominee (as defined herein) (and each of their associates and/or affiliates) was indebted, including under any securities purchase or other program, to (i) the Corporation or its subsidiaries, or (ii) any other entity which is, or was at any time during the financial year ended 31 December 2019, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries.

ADDITIONAL INFORMATION AND CONTACT INFORMATION

Additional information relating to the Corporation may be found under the profile of the Corporation on SEDAR at www.sedar.com. Additional financial information is provided in the Corporation's audited financial statements and related management's discussion and analysis for the financial year ended 31 December 2019, which can be found under the profile of the Corporation on SEDAR. Shareholders may also request these documents from the CFO of the Corporation by email at info@silverbearresources.com.

Board of Directors Approval
The contents of this Circular and the sending thereof to the Shareholders of the Corporation have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "Vadim Ilchuk"

Vadim Ilchuk

President and Chief Executive Officer

Moscow, Russia
27 August 2020

SCHEDULE "A" – CHARTER OF THE BOARD OF DIRECTORS

SILVER BEAR RESOURCES Plc
(the "Corporation")

CHARTER OF THE BOARD OF DIRECTORS
(the "Charter")

I. PURPOSE

The Board of Directors of the Corporation (the "**Board**") is responsible for the stewardship of the business and for acting in the best interests of the Corporation and its shareholders. The Board will discharge its responsibilities directly and through its committees, currently consisting of the Audit Committee and the Corporate Governance, Environmental and Compensation Committee. The Board shall meet at least quarterly to review the business operations, corporate governance, environmental and health and safety compliance and financial results of the Corporation. Meetings of the Board shall also include regular meetings of the independent members of the Board without management being present, on an as needed basis.

II. RESPONSIBILITIES

The Board's mandate is the stewardship of the Corporation and its responsibilities include, without limitation to its general mandate, the following specific responsibilities:

- The assignment to the various committees of the Board the general responsibility for developing the Corporation's approach to: (i) corporate governance and nomination of directors related issues; (ii) financial reporting and internal controls; (iii) issues relating to compensation of directors, officers and employees and (iv) environmental and health and safety matters.

- With the assistance of the committees of the Board:

  - Create an agenda for the ensuing year to fulfill its mandate.

  - Review this Charter annually and update it as conditions dictate.

  - Develop the Corporation's approach to corporate governance, including the development of a set of corporate governance principles and guidelines specific to the Corporation.

  - Review the composition of the Board and ensure that the Board composition meets the independence requirements applicable to the Corporation.

  - Satisfy itself as to the integrity of the Chief Executive Officer and other senior officers of the Corporation

  - Ensure that the senior officers of the Corporation create and maintain a culture of integrity throughout the organization.

  - Review the internal controls and management information systems of the Corporation annually, and ensure that such controls are congruent with the size and operation of the Corporation.

  - Ensure that an appropriate review selection process for new nominees to the Board is in place and that the composition and succession of the Board is regularly being examined.

  - Approve disclosure and securities compliance policies, including communications policies of the Corporation and ensure a process is in place for stakeholders to provide feedback to the independent members of the Board.

  - Mandate effective communication protocols for communication with the major shareholders and key stakeholders of the Corporation.

  - Establish appropriate performance criteria for the senior management of the Corporation and approve the compensation provided to the executive officers of the Corporation.

- Recommend the appointment of the auditors of the Corporation and assess the performance of the auditors.

- Ensure that the Corporation is operated in compliance with all applicable laws and regulations, audit and accounting principles and the Corporation's own governing documents and policies.

- Encourage management and employees of the Corporation to behave in an ethical manner in the course of their service to the Corporation.

- Identify the principal risks of the Corporation's business and ensure that appropriate systems are in place to manage these risks.

- Review and approve significant operational and financial matters and direct management on these matters.

- As required and agreed upon, address shareholder concerns regarding the integrity of the Corporation's reported financial performance.

- Provide succession planning and select, appoint, monitor, evaluate and, if necessary, replace, senior management of the Corporation to ensure effective management succession.

• Review and approve corporate objectives and goals applicable to the Corporation's senior management.

• Review with senior management:

  - Major corporate decisions which require Board approval and approve such decisions as they arise.

  - Major capital expenditure decisions (in excess of $500,000) unless previously authorized by the Board in a budget or plan.

  - Material decisions relating to senior personnel, development or operation of mineral exploration properties or matters relating to the environment, health and safety.

• Perform such other functions as prescribed by law or assigned to the Board in the Corporation's constating documents and by-laws.

IV. MISCELLANEOUS

1. The members of the Board are expected to attend all meetings of Board in person or by phone unless prior notification of absence is provided.

2. The members of the Board are required to have reviewed board materials in advance of the meeting of the Board and be prepared to discuss such materials at the meeting.

SCHEDULE "B" – STOCK OPTION PLAN

SILVER BEAR RESOURCES Plc

Replacement Incentive Stock Option Plan (Scheme)

BACKGROUND

This Replacement Incentive Stock Option Plan ("Plan") was implemented in connection with a plan of arrangement involving Silver Bear Resources Plc and Silver Bear Resources Inc. made effective June 30, 2017 ("Plan of Arrangement") for the purpose of issuing "Replacement Options" as defined under the Plan of Arrangement, and for granting incentive options subsequent to the effectiveness of the Plan of Arrangement.

This Plan was amended on August 27, 2020 to include a "cashless exercise" provision.

Article 1
INTRODUCTION

1.1 Purpose of Plan

In addition to providing Replacement Options, the purpose of the Plan is to secure for the Company and its shareholders the benefits of incentives inherent in the share ownership by the directors, senior officers, key employees and consultants of the Company and its Subsidiaries who, in the judgment of the Board, will be largely responsible for its future growth and success. It is generally recognized that a stock option plan of the nature provided for herein aids in retaining and encouraging employees and directors of exceptional ability because of the opportunity offered them to acquire a proprietary interest in the Company. The number of Options (as defined below) that may be granted (including Replacement Options) may not exceed 10% of the number of issued and outstanding Shares (as defined below) at the time of the stock option grant, from time to time. The Plan is considered to be an "evergreen plan" since the Shares covered by Options which have been exercised shall be available for subsequent grants under the Plan, and the number of Options available to grant increases as the number of issued and outstanding Shares increase.

1.2 Definitions

(a) "Board" means the board of directors of the Company, or any committee of the board of directors to which the duties of the board of directors hereunder are delegated.

(b) "Company" means Silver Bear Resources Plc, a company duly incorporated under the laws of England and Wales.

(c) "Consultant" means a person providing consulting services to the Company or any of its Subsidiaries.

(d) "Director" means a director of the Company or any of its Subsidiaries.

(e) "Eligible Person" means any employee, Director, senior Officer or Consultant of the Company or any of its Subsidiaries.

(f) "Exchange" means the Toronto Stock Exchange or any other stock exchange on which the Shares are listed.

(g) "Insider" of the Company shall mean a Participant who is an "insider" of the Company that is subject to insider reporting requirements pursuant to National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*.

(h) "Market Price" means the five (5) trading day volume weighted average price of the Shares on the Exchange calculated on the relevant day.

(i) "Option" shall mean an option granted under the terms of the Plan, and a Replacement Option governed by this Plan and issued in accordance with the Plan of Arrangement.

(j) "Option Commitment" means the notice of grant of an Option delivered by the Company hereunder to an Optionee in a form approved by the Board from time to time.

(k) "Option Period" shall mean the period during which an Option may be exercised.

(l) "Optionee" shall mean a Participant to whom an Option has been granted under the terms of the Plan, including the holder of a Replacement Option.

(m) "Participant" means, in respect of the Plan, an Optionee who elects to participate in the Plan.

(n) "Plan" means this Replacement Incentive Stock Option Plan established and operated pursuant to Article 2 hereof.

(o) "Plan of Arrangement" shall mean the plan of arrangement involving Silver Bear Resources PLC and Silver Bear Resources Inc. made effective June 30, 2017 and effected under the *Ontario Business Corporations Act*.

(p) "Replacement Option" has the meaning given such term under the Plan of Arrangement and is an option otherwise issued on the terms set forth in this Plan.

(q) "Securities Act" means the Securities Act (Ontario) as amended from time to time.

(r) "Share Compensation Arrangement" means the Plan described herein and any other security based compensation arrangements implemented by the Company including stock options, other stock option plans, employee stock purchase plans, share distribution plans, stock appreciation rights, restricted share unit plans or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares of the Company.

(s) "Shares" shall mean the ordinary shares of the Company.

(t) "Subsidiary" has the meaning ascribed thereto in the Securities Act.

Article 2
STOCK OPTION PLAN

2.1 Participation

Options to purchase Shares may be granted hereunder to Eligible Persons. Replacement Options shall only be granted in accordance with the Plan of Arrangement and only to persons eligible thereunder, and shall only be granted on the date of effectiveness of the Plan of Arrangement.

2.2 Determination of Option Recipients

The Board shall make all necessary or desirable determinations regarding the granting of Options to Eligible Persons and may take into consideration the present and potential contributions of a particular Eligible Person to the success of the Company and any other factors which it may deem proper and relevant.

2.3 Exercise Price

The exercise price per Share shall be determined by the Board at the time the Option is granted, but, in any event, shall not be less than the Market Price of the Shares (and provided further that the Market Price shall itself not be less than the nominal value of a Share) on the Exchange on the trading day immediately preceding the date of the grant of the Option and no adjustments shall be made to the exercise price with the effect of making it less than the nominal value of the Share. The exercise price of a Replacement Option shall be determined in accordance with the Plan of Arrangement, but, in any event, shall be no less than the nominal value of the Share.

2.4 Grant of Options

The Board may at any time authorize the granting of Options to such Eligible Persons as it may select for the number of Shares that it shall designate, subject to the provisions of the Plan. A director of the Company to whom an Option may be granted shall not participate in the decision of the Board to grant such Option. The date of each grant of Options shall be determined by the Board when the grant is authorized. Replacement Options shall be granted in accordance with the Plan of Arrangement and be issued on the date of effectiveness of the Plan of Arrangement.

2.5 Option Commitment

Each Option granted to an Optionee shall be evidenced by an Option Commitment detailing the terms of the Option and upon delivery of the Option Commitment to the Optionee by the Company the Optionee shall have the right to purchase the Shares underlying the Option at the exercise price set out therein, subject to any provisions as to the vesting of the Option. Option Commitments granted in respect of an Option that is replaced by a Replacement Option shall constitute evidence of the Replacement Option.

2.6 Terms of Options

The periods within which Options may be exercised and the number of Shares which may be issuable upon the exercise of Options in any such period shall be determined by the Board at the time of granting the Options provided, however, that all Options must be exercisable during a period not extending beyond five years from the date of the Option grant. Replacement Options shall have the term determined in accordance with the Plan of Arrangement.

Notwithstanding the foregoing, in the event that the expiry of an Option Period falls within, or within two (2) days of, a trading blackout period imposed by the Company (the "**Blackout Period**"), the expiry date of such Option Period shall be automatically extended to the 10th business day following the end of the Blackout Period.

2.7 Exercise of Option

Subject to the provisions of this Plan, an Option may be exercised from time to time by delivery to the Company of a written notice of exercise specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the exercise price of the Shares to be purchased. Certificates for such Shares shall be issued and delivered to the Optionee within a reasonable time following the receipt of such notice and payment.

2.8 Cashless Exercise

(a) A Participant may, instead of exercising an Option for cash in accordance with Section 2.7, elect to surrender such Option to the Company in consideration for an amount from the Company equal to the amount by which (i) the aggregate fair market value of the Shares issuable under such Option, exceeds (ii) the aggregate exercise price in respect of such Option (the "In-the-Money Amount"). The Company shall satisfy payment of the In-the-Money Amount by: (i) remitting to the relevant taxation authority the amount the Company is required to withhold and remit on account of taxes in connection with such surrender under applicable law (the "Remittance Amount"), and (ii) delivering to the Participant, at the sole discretion of the Company, either (a) cash in an amount equal to the amount by which the In-the-Money Amount exceeds the Remittance Amount, or (b) such number of Shares (rounded down to the nearest whole number) having a fair market value equal to the amount by which the In-the-Money Amount exceeds the Remittance Amount. For these purposes, the fair market value of a Share shall be determined with reference to the Market Price of a Share, but if the Shares are not listed and posted for trading at the relevant time, shall be the fair value of the Shares as determined by the Board acting in good faith.

(b) In connection with any cashless exercise pursuant to this Section 2.8, the full number of Shares issuable pursuant to the Option(s) exercised in respect of such cashless exercise shall be considered to have been issued by the Company for the purposes of the reduction in the number of Shares which may be issued under this Plan.

(c) No fractional Shares shall be issued upon a Participant making an election pursuant to Section 2.8(a). If the number of Shares to be issued to the Participant in the event of such an election would otherwise include a fraction of a Share, the Company shall pay a cash amount (the "Cash Amount") to such Participant equal to: (i) the fraction of a Share otherwise issuable, multiplied by (ii) the fair market value of a Share calculated in accordance with Section 2.8(a), provided that, no such payment shall be made to a Participant if the Cash Amount is less than £10.

2.9 Vesting

Options granted pursuant to the Plan shall vest and become exerciseable by an Optionee at such time or times as may be determined by the Board. Replacement Options shall have the vesting provisions determined by the Plan of Arrangement.

2.10 Lapsed Options

If Options are surrendered, terminated or expire without being exercised in whole or in part, new Options may be granted covering the Shares not purchased under such lapsed Options.

2.11 Death of Optionee

If an Optionee ceases to be an Eligible Person due to death, any Option held by it at the date of death shall be exercisable by the Optionee's legal heirs or personal representatives. All such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of death and only for 12 months after the date of death or prior to the expiration of the Option Period in respect thereof, whichever is sooner, subject to the Board determining otherwise.

2.12 Termination of Employment

If an Optionee ceases to be an Eligible Person, other than as a result of termination with cause, or ceases to act as a Director, any Option held by such Optionee at the effective date thereof shall be exercisable only to the extent that the Optionee is entitled to exercise the Option and only for 90 days thereafter (or such longer period as may be prescribed by law) or prior to the expiration of the Option Period in respect thereof, whichever is sooner, subject to the Board determining otherwise. In the case of an Optionee being dismissed from employment or service for cause, the Option shall immediately terminate and shall no longer be exerciseable as of the date of such dismissal.

2.13 Effect of Take-Over Bid

If a bona fide offer (the "**Offer**") for Shares is made to the Optionee or to shareholders generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror exercising control over the Company within the meaning of the Securities Act, then the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of the full particulars of the Offer. The Board will have the sole discretion to amend, abridge or otherwise eliminate any vesting schedule so that notwithstanding the other terms of this Plan, such Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Shares received upon such exercise (the "**Optioned Shares**") pursuant to the Offer. If:

(a) the Offer is not complied with within the time specified therein;

(b) the Optionee does not tender the Optioned Shares pursuant to the Offer; or

(c) all of the Optioned Shares tendered by the Optionee pursuant to the Offer are not taken up and paid for by the offeror in respect thereof;

then at the discretion of the Board, the Optioned Shares or, in the case of clause (c) above, the Optioned Shares that are not taken up and paid for, shall be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and the terms of the Option as set forth in this Plan and the Option Commitment shall again apply to the Option. If any Optioned Shares are returned to the Company under this Section, the Company shall refund the exercise price to the Optionee for such Optioned Shares.

2.14 Effect of Reorganization, Amalgamation, Merger, etc.

If there is a consolidation, reorganization, merger, amalgamation or statutory amalgamation or arrangement of the Company with or into another corporation, a separation of the business of the Company into two or more entities or a transfer of all or substantially all of the assets of the Company to another entity, the Board will have the sole discretion to amend, abridge or otherwise eliminate any vesting schedule so that notwithstanding the other terms of this Plan, such Option may be exercised in whole or in part by the Optionee and at the discretion of the Board, upon the exercise of an Option under the Plan, the holder thereof shall be entitled to receive any securities, property or cash which the Optionee would have received upon such consolidation, reorganization, merger, amalgamation, statutory amalgamation or arrangement, separation or transfer if the Optionee had exercised his Option immediately prior to the applicable record date or event, as applicable, and the exercise price shall be adjusted as applicable by the Board, unless the Board otherwise determines the basis upon which such Option shall be exercisable, and any such adjustments shall be binding for all purposes of the Plan.

2.15 Adjustment in Shares Subject to the Plan

If there is any change in the Shares through or by means of a declaration of stock dividends of Shares or consolidations, subdivisions or reclassifications of Shares, or otherwise, the number of Shares subject to any Option, and the exercise price thereof and the maximum number of Shares which may be issued under the Plan in accordance with Section 3.1(a) shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Plan. An adjustment under Section 2.14 or 2.15 (the "**Adjustment Provisions**") will take effect at the time of the event giving rise to the adjustment, and the Adjustment Provisions are cumulative. The Company will not be required to issue fractional Shares in satisfaction of its obligations hereunder. Any fractional interest in a Share that would, except for this provision, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company. If any questions arise at any time with respect to the exercise price or number of Shares deliverable upon exercise of an Option in connection with any of the events set out in Sections 2.13, 2.14 or 2.15, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants that the Company may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

Article 3 GENERAL

3.1 Maximum Number of Shares

(a) The aggregate number of Shares issuable pursuant to this Plan or any other Share Compensation Arrangement (pre-existing or otherwise) to all Participants shall not exceed 10% of the issued and outstanding Shares at the time of grant.

(b) The aggregate number of Shares issuable, at any time, pursuant to this Plan and any other Share Compensation Arrangement (pre-existing or otherwise) to Insiders, shall not exceed 10% of the Shares outstanding.

(c) The aggregate number of Shares issued, within any one year period, upon exercise of the Options granted pursuant to this Plan and any other Share Compensation Arrangement (pre-existing or otherwise) to Insiders shall not exceed 10% of the Shares then outstanding.

3.2 Transferability

Options are not assignable or transferable other than by will or by the applicable laws of descent. During the lifetime of an Optionee, all Options may only be exercised by the Optionee.

3.3 Employment

Nothing contained in the Plan shall confer upon any Optionee any right with respect to employment or continuance of employment with the Company or any Subsidiary, or interfere in any way with the right of the Company or any Subsidiary, to terminate the Optionee's employment at any time. Participation in the Plan by an Optionee is voluntary.

3.4 No Shareholder Rights

An Optionee shall not have any rights as a shareholder of the Company with respect to any of the Shares covered by an Option until the Optionee exercises such Option in accordance with the terms of the Plan and the issuance of the Shares by the Company.

3.5 Record Keeping

The Company shall maintain a register in which shall be recorded the name and address of each Optionee, the number of Options granted to an Optionee, the details thereof and the number of Options outstanding.

3.6 Necessary Approvals

The Plan shall be effective only upon the effectiveness of the Plan of Arrangement. The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of any governmental authority having jurisdiction or any stock exchanges on which the Shares are listed for trading which may be required in connection with the authorization, issuance or sale of such Shares by the Company. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any exercise price paid by an Optionee to the Company shall be returned to the Optionee.

3.7 Administration of the Plan

The Board is authorized to interpret the Plan from time to time and to adopt, amend and rescind rules and regulations for carrying out the Plan. The interpretation and construction of any provision of the Plan by the Board shall be final and conclusive.

Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

3.8 Income Taxes

The Company shall have the power and the right to deduct or withhold, or require an Optionee to remit to the Company, the required amount to satisfy federal, provincial, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan, including the grant or exercise of any Option granted under the Plan. With respect to any required withholding, the Company shall have the irrevocable right to, and the Optionee consents to, the Company setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Company to the Optionee (whether arising pursuant to the Optionee's relationship as a director, officer, employee or consultant of the Company or otherwise), or may make such other arrangements that are satisfactory to the Optionee and the Company. In addition, the Company may elect, in its sole discretion, to satisfy the withholding requirement, in whole or in part, by withholding such number of Shares issuable upon exercise of the Options as it determines are required to be sold by the Company, as trustee, to satisfy any withholding obligations net of selling costs. The Optionee consents to such sale and grants to the Company an irrevocable power of attorney to effect the sale of such Shares issuable upon exercise of the Options and acknowledges and agrees that the Company does not accept responsibility for the price obtained on the sale of such Shares issuable upon exercise of the Options.

3.9 Amendment, Modification or Termination of Plan

Subject to the requisite shareholder and regulatory approvals set forth under subparagraphs 3.9(a) and (b) below, the Board may, from time to time, amend or revise the terms of the Plan or may discontinue the Plan at any time provided however that no such right may, without the consent of the Optionee, in any manner adversely affect his rights under any Option theretofore granted under the Plan.

(a) The Board may, subject to receipt of requisite shareholder and regulatory approval, make the following amendments to the Plan:

(i) any amendment to the number of securities issuable under the Plan, including an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage. A change to a fixed maximum percentage which was previously approved by shareholders will not require additional shareholder approval;

(ii) any reduction to the exercise price of an Option held by an Insider;

(iii) any extension to the term or exercise period of an Option held by an Insider;

(iv) any amendment to Section 3.1 to remove or exceed the limits set forth therein or to increase the percentage of the Company's issued and outstanding shares that may be issued under this Plan;

(v) any change to the definition of "Participants" which would have the potential of narrowing or broadening or increasing insider participation;

(vi) the addition of any form of financial assistance;

(vii) any amendment to a financial assistance provision which is more favourable to Participants;

(viii) any addition of a cashless exercise feature, payable in cash or securities, which does not provide for a full deduction in the number of underlying securities from the Plan;

(ix) the addition of deferred or restricted share unit or any other provision which results in Participants receiving securities while no cash consideration is received by the Company;

(x) any amendments to this Section 3.9(a); and

(xi) any other amendments that may lead to significant or unreasonable dilution in the Company's outstanding securities or may provide additional benefits to Participants, especially to insiders of the Company, at the expense of the Company and its existing shareholders.

(b) The Board may, subject to receipt of requisite regulatory approval, where required, in its sole discretion and without shareholder approval, make all other amendments to the Plan that are not of the type contemplated in subparagraph 3.9(a) above, including, without limitation:

(i) amendments of a housekeeping or clerical nature;

(ii) the addition of or a change to vesting provisions of a security or the Plan;

(iii) a change to the termination provisions of a security or the Plan which does not entail an extension beyond the original expiry date; and

(iv) the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Plan reserve.

(c) Notwithstanding the provisions of subparagraph 3.9(b), the Company shall additionally obtain requisite shareholders' approval in respect of amendments to the Plan that are contemplated pursuant to subparagraph 3.9(b) to the extent such approval is required by any applicable law or regulations.

3.10 No Representation or Warranty

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

3.11 Interpretation

The Plan will be governed by and construed in accordance with the laws of the Province of Ontario, Canada.

3.12 Compliance with Applicable Law

If any provision of the Plan or any agreement entered into pursuant to the Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange having authority over the Company or the Plan then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.
Approved by the Board of Silver Bear Resources Plc on 12 May 2017.
Approved by the Shareholders of Silver Bear Resources Inc. on 23 June 2017.
Approved by the Shareholders of Silver Bear Resources Plc on 23 June 2017.
Implemented and effective as of June 30, 2017.

Amendment approved by the Board of Silver Bear Resources Plc on 27 August 2020.