



## **Bearclaw Announces Decision Not To Participate in Capoose Property Program**

Vancouver, May 12, 2010 – Bearclaw Capital Corp. (TSX Venture: BRL, Frankfurt: 5BQ) announces that management has decided that the Company will not participate in the 2010 exploration program proposed by its joint venture partner for the Capoose property.

Silver Quest Resources Corp. which is the operator under the joint venture agreement for the property, has approved a \$2.2 million exploration budget for 2010. As it currently holds a 40% interest in the joint venture, Bearclaw is required to contribute \$880,000 to the cost of that program. Management has determined that Bearclaw will not participate in the exploration program at this time. Bearclaw's interest in the joint venture will be diluted if Silver Quest contributes funds to the program on Bearclaw's behalf. If Silver Quest contributes \$1 million to the program on its own behalf, and an additional \$666,666 on behalf of Bearclaw, then Bearclaw's interest will be diluted to 20%. Under the joint venture agreement, that interest will then be automatically converted to a 2.25% net smelter royalty. Silver Quest may reduce that to a 1.25% net smelter royalty by paying \$1.5 million to Bearclaw.

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