

Sabina Gold & Silver Corp. Updates Progress for the Goose Mine Development

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~70% Procurement and 40% Overall Civil Works Completed

Procurement continues in 2022 to secure commitments for equipment pricing and delivery

VANCOUVER, May 16, 2022 - [Sabina Gold & Silver Corp.](#) ("Sabina") or (the "Company") (SBB – TSX/SGSVF - OTCQX) provides an update on advancements of the Goose Mine development at the Company's 100% owned Back River Gold District in Nunavut, Canada. The Goose Mine is the Company's first mine on the 80 km long Back River Gold District, a multi-generational mining district already with a high-grade world class gold endowment.

The first quarter of 2022 culminated in one of the most important milestones for the Company to date. Debt, streaming and equity financings were completed with a total of over C\$800 million arranged, well in excess of the requirements of the 2021 Updated Feasibility Study ("UFS").

More importantly, with financing in hand, pre-construction, logistical and procurement activities have accelerated. In anticipation of the financing, Sabina had prepared tender documents and purchase orders which enabled the Company to quickly procure critical components necessary for this year's sealift.

The UFS CAPEX estimate was C\$610 million. Of that, approximately C\$218 million was identified as direct equipment and materials purchases. Since last year, Sabina has procured, or has committed agreements to procure, just over 70% of all direct purchases identified in the UFS. Reconciliation on purchases have seen an average overall inflationary escalation of 14% since March of 2021, with a 20% escalation on the purchases made in 2022. Efforts now focus on securing the remaining 30% (C\$62 million) of materials and equipment.

Earthworks at the plant site are ~67% complete, which reflects an overall Project civil works completion rate of ~40%. To date, the Project is trending an ~10% quantity reduction from UFS estimates.

"Inflation and global supply chain issues have impacted all new capital investment projects and Sabina continues to monitor these potential impacts as we develop the Goose Mine," said Bruce McLeod, President & CEO. "We are fortunate that our strategy of pre-planning and accelerating procurement efforts has reduced our exposure to inflationary impacts."

Advancement Highlights and Schedule and Cost De-risking Events

Engineering

- FLSmidth ("FLS") has been chosen to supply the key equipment for the Goose Mine processing flowsheet. The equipment package is valued at approximately US\$39 million and is due to be delivered by mid-2023, for implementation ahead of the mine start-up date of Q1, 2025;

- CGT Industrial ("CGT") has provided Sabina with a fixed priced proposal of C\$130 million, with an agreed rise and fall mechanism, for materials and consumables for the process plant. These components make up approximately 85% of the direct works on site. The proposal is comparable to within 5% of the feasibility study estimate;

- The team is preparing to move on to the design concept for the Echo open pit, which is intended to be pre-mined to enable initial tailings storage. The advanced mining of the Echo and Umwelt pits will also result in approximately two years of stock-piled feed for the mill prior to commencement of operations; and

- Detail engineering is reaching 85% complete project wide with remaining engineering activities focused on vendor data updates as procurement activity progresses.

Procurement

Approximately C\$157 million of C\$218 million (72%) of materials and equipment required for the project (per UFS) has already been procured.

Purchased or committed items include:

- 90% of mining fleet;
- Entire process plant equipment at 4000 TPD;
- Permanent accommodation complex (500 units) with kitchen and recreation center;
- 95% of building envelope steel (by weight) and cladding;
- 100% of project explosives required for construction;
- Cranes and major construction support equipment;
- 95% project cement & rebar – with concrete batch plant available on site;
- 80% of secondary structural steel for the process plant and process piping;
- 100% of all tailing, reclaim and freshwater piping for the project (~11.5Km of piping);
- All conveyor galleries and arctic corridors;
- Electrical E-houses complete with MCC and VFD (5 of 6 will be on 2022 sealift);
- Electrical switch gear for the Powerhouse;
- Water, sewer and waste systems;
- HVAC unit and Dust collections systems;
- Fuel dispensing and offloading system for Goose & Port sites;
- All equipment for double heading winter ice road construction on site;
- Fully functional aggregate crusher and washer unit on site;
- 24 MW (N+2 configuration) Power plant cogeneration system with boilers and ancillary equipment from Toromont;
- One ten-million and one five-million liter fuel storage tanks at each of Goose and Port sites, respectively; and
- Liner requirements for all water management structures procured.

Sabina has approximately C\$62 million remaining to be spent on procurement (based on the UFS) which will have exposure to the current inflationary environment. These items include:

- Platework, pumps and tanks insulation -materials for which engineering is completed and quotes are being finalized;
- Electrical bulks and cable tray;
- Electrical miscellaneous equipment (process plant and powerplant);
- PLC controls systems;
- Instrumentation for the project; and
- Communication systems.

Supply chain and Sealift

Supply chain resilience will continue to require expertise, novel solutions and strong collaboration among Sabina and its suppliers. Key strategies include diversification of suppliers, monitoring production capabilities and transportation processes, as well as finding alternative materials and nontraditional partnerships. To this end, Sabina has implemented the following:

- Ensuring dedicated internal resources, including specialized expeditors, to monitor progress on fabrication of equipment procured;
- Co-ordinating with CGT during the procurement phase of all critical fabrication items to de-risk the construction schedule at site;
- Reviewing fuel supply proposals for 2022 sealift;
- Securing sealift carriers at both East and West transport/consolidation points for the 2022 sealift program; and
- Completing the installation of a fully functional hard wall camp at Port to support activities in 2022.

Although supply chain issues have impacted delivery dates, through advance planning, all major equipment required is anticipated to arrive in time for this year's sealift.

Civil Works & Logistics

Considerable pre-development activities have already been completed at the Goose and Port sites. This

work includes:

- ~40% of overall project and ~67% of plant site civil works;
- Construction of two 10 million-liter fuel tanks constructed (Port and Goose);
- ~20km of all weather roads completed at Project;
- Pads complete for permanent camp, plant and fuel storage;
- Approx. 25,000m² of additional laydown area created at the Port;
- New hard wall camp at Port and forward camps established;
- Esker harvesting and placement for sub-base prep along winter ice road route to improve future construction campaigns; and
- 700 meters of underground exploration ramp completed at Umwelt.

With surface construction season commencing, Sabina is preparing to mobilize crews to further advance civil works on site. Budgeting and scheduling is nearing completion and will be announced in the coming weeks.

Planning is well underway for the marshalling of procured equipment and supplies, at both East and West transport locations, for the 2022 sealift campaign in the late summer of this year.

SABINA GOLD & SILVER CORP

Sabina Gold & Silver Corp. is an emerging gold mining company that owns 100% of the district scale, advanced, high grade Back River Gold District in Nunavut, Canada.

Sabina filed an Updated Feasibility Study (the "UFS") on its first mine on the district, the Goose Mine, which presents a project that will produce ~223,000 ounces of gold a year (first five years average of 287,000 ounces a year with peak production of 312,000 ounces in year three) for ~15 years with a rapid payback of 2.3 years, with a post-tax IRR of ~28% and NPV5% of C\$1.1B at a gold price of \$1,600 USD. See "National Instrument (NI) 43-101 Technical Report – 2021 Updated Feasibility Study for the Goose Project at the Back River Gold District, Nunavut, Canada" dated March 3, 2021.

The Project has received all major permits and authorizations for construction and operations.

The Company has arranged a comprehensive project financing package comprised of:

- A US\$425 million senior secured debt facility, gold prepay and stream package with Orion Mine Finance and Wheaton Precious Metals Corp.; and
- US\$221 million in equity including Zhaojin's participation.

The Company is also very committed to its Inuit stakeholders, with Inuit employment and opportunities a focus. The Company has signed a 20-year renewable land use agreement with the Kitikmeot Inuit Association and has committed to various sustainability initiatives under the agreement.

The Company continues to advance exploration and project optimization, including advancing the planned plant expansion to 4,000 tpd from Year two to initial startup.

All news releases and further information can be found on the Company's website at www.sabinagoldsilver.com or on SEDAR at www.sedar.com. All technical reports have been filed on www.sedar.com

For further information please contact:

Nicole Hoeller, Vice-President, Communications: 1 888 648-4218
nhoeller@sabinagoldsilver.com

Forward Looking Information

This news release contains "forward-looking information" within the meaning of applicable securities laws (the "forward-looking statements"), including, but not limited to, statements related to the expected use of proceeds of the Offering and the projections and assumptions of the results of the UFS. These

forward-looking statements are made as of the date of this news release. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated in or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. While we have based these forward-looking statements on our expectations about future events as at the date that such statements were prepared, the statements are not a guarantee that such future events will occur and are subject to risks, uncertainties, assumptions and other factors which could cause events or outcomes to differ materially from those expressed or implied by such forward-looking statements. Such factors and assumptions include, among others, the uncertainty of production, development plans and costs estimates for the Back River Gold Project; discrepancies between actual and estimated mineral reserves and mineral resources, between actual and estimated development and operating costs; the interpretation of drill, metallurgical testing and other exploration results; the ability of the Company to retain its key management employees and skilled and experienced personnel; exploration, development and mining risks and the inherently dangerous nature of the mining industry, and the risk of inadequate insurance or inability to obtain insurance to cover these risks and other risks and uncertainties; property and mineral title risks including defective title to mineral claims or property; the effects of general economic conditions, commodity prices, changing foreign exchange rates and actions by government and regulatory authorities; and misjudgments in the course of preparing forward-looking statements. In addition, there are known and unknown risk factors which could cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Known risk factors include risks associated with exploration and project development; the need for additional financing; the calculation of mineral resources and reserves; operational risks associated with mining and mineral processing; fluctuations in metal prices; title matters; government regulation; obtaining and renewing necessary licenses and permits; environmental liability and insurance; reliance on key personnel; the potential for conflicts of interest among certain of our officers or directors; the absence of dividends; currency fluctuations; labour disputes; competition; dilution; the volatility of the our common share price and volume; future sales of shares by existing shareholders; and other risks and uncertainties, including those relating to the Back River Project and general risks associated with the mineral exploration and development industry described in our Annual Information Form, financial statements and MD&A for the fiscal period ended December 31, 2021 filed with the Canadian Securities Administrators and available at www.sedar.com. Although we have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. We are under no obligation to update or alter any forward-looking statements except as required under applicable securities laws.

Bruce McLeod, President & CEO
1800-555 Burrard Street, Two Bentall Centre
Vancouver, BC V7X 1M9
Tel 604 998-4175 Fax 604 998-1051
<http://www.sabinagoldsilver.com>

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