SABINA GOLD & SILVER CORP.

AMENDED AND RESTATED ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2018

MAY 24, 2019

SUITE 1800, 555 BURRARD STREET, BENTALL II
VANCOUVER, BC V7X 1M7

TABLE OF CONTENTS

Page

PRELIMINARY NOTES

All financial information in this Amended and Restated Annual Information Form (the "**AIF**") of Sabina Gold & Silver Corp. (the "**Company**" or "**Sabina**") is prepared in accordance with International Financial Reporting Standards.

The AIF was amended and restated to include the requisite disclosure in respect of the Company's Audit Committee, which was inadvertently omitted from the earlier filed version.

All dollar amounts in this AIF are expressed in Canadian dollars unless otherwise indicated.

In this AIF, the definitions of mineral resources are those used by the Canadian securities administrators and conform to the definitions utilized by the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") in the "CIM Standards on Mineral Resources and Reserves – Definitions and Guidelines" adopted by CIM Council on May 10, 2014.

All information in this AIF is as of December 31, 2018 unless otherwise indicated.

FORWARD-LOOKING INFORMATION

This AIF contains "**forward-looking information**" within the meaning of applicable Canadian securities legislation concerning the Company's projects, capital, anticipated financial performance, business prospects and strategies and other general matters. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will, may, could or might occur in the future are Forward-Looking Information. The words "expect", "anticipate", "estimate", "may", "could", "might", "will", "would", "should", "intend", "believe", "target", "budget", "plan", "strategy", "goals", "objectives", "projection" or the negative of any of these words and similar expressions are intended to identify Forward-Looking Information, although these words may not be present in all Forward-Looking Information.

Forward-Looking Information included or incorporated by reference in this AIF include, without limitation, statements with respect to:

- the future exploration, development and exploitation plans concerning the Back River Project (as defined herein);
- the adequacy of the Company's financial resources, business plans and strategy and other events or conditions that may occur in the future;
- the results set out in the IFS Report (as defined herein);
- the mineral resource and mineral reserve estimates contained in the IFS Report;
- the ability of the Company to exploit estimated mineral reserves;
- the Company's expectation that the Back River Project will be profitable with positive economics from mining, recoveries, grades and annual production;
- receipt of all necessary approvals and permits;

- the parameters and assumptions underlying the mineral resource and mineral reserve estimates and the financial analysis contained in the Back River Project;
- gold prices;
- the timing and completion of construction and commissioning of the mine and processing facilities and achieving full production;
- the ability to access the Back River Project;
- expected metal recoveries, gold production (including without limitation the estimated gold sales by year), total cash costs per ounce of gold sold, all in sustaining costs and revenues from operations;
- the expectation that the Company will be able to generate sufficient cash flow to satisfy the financial covenants under any future potential loan facility and service future potential debt on a timely basis;
- the expected satisfaction of certain projected operating and performance parameters required under any potential future loan facility,
- the ability to mine and process estimated mineral reserves, plans to complete the follow up diamond drilling of the surface and underground exploration targets at the Back River Project and other exploration targets on the Back River Property;
- the ability to service debt once in production; and
- the expected successful start-up, commissioning and operation of the mineral processing plant.

Forward-Looking Information reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-Looking Information in respect of capital costs, operating costs, production rate, grade per tonne and smelter recovery are based upon the estimates in the technical reports referred to in this AIF and in the documents incorporated by reference herein and ongoing cost estimation work, and the Forward-Looking Information in respect of metal prices and exchange rates are based upon the prices and the assumptions contained in the Feasibility Study.

Forward-Looking Information are subject to a number of risks and uncertainties that may cause the actual events or results to differ materially from those discussed in the Forward-Looking Information, and even if events or results discussed in the Forward-Looking Information are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things: additional financing requirements;

- the Company’s history of losses;
- the Company’s negative cash flow;
- the Company’s ability to continue as a going concern;

- delays in, or inability to achieve, planned commercial production;
- discrepancies between actual and estimated mineral reserves and mineral resources, between actual and estimated development and operating costs, between actual and estimated metallurgical recoveries and between estimated and actual production;
- fluctuations in the relative values of the U.S. dollar and the Canadian dollar;
- volatility in metals prices;
- the ability of the Company to retain its key management employees and skilled and experienced personnel;
- conflicts of interest;
- litigation or other legal or administrative proceedings brought against the Company;
- actual or alleged breaches of governance processes or instances of fraud, bribery or corruption;
- exploration, development and mining risks and the inherently dangerous nature of the mining industry, including environmental hazards, industrial accidents, unusual or unexpected formations, safety stoppages (whether voluntary or regulatory), pressures, mine collapses, cave ins or flooding 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;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada or other countries in which the Company does or may carry out business in the future;
- equipment shortages and the ability of the Company to acquire the necessary access rights and infrastructure for its mineral properties;
- environmental regulations and the ability to obtain and maintain necessary permits, including environmental authorizations and water use licenses;
- extreme competition in the mineral exploration industry;
- delays in obtaining, or a failure to obtain, permits and authorizations necessary for current or future operations or failures to comply with the terms of such permits and authorizations;
- the ability to execute agreements with the Kitikmeot Inuit Association ("**KIA**"); and
- the other risks disclosed under the heading "Risk Factors" in this AIF and in the documents incorporated by reference herein.

These factors should be considered carefully, and investors should not place undue reliance on the Forward-Looking Information. In addition, although the Company has attempted to identify important factors that could cause actual actions or results to differ materially from those

described in the Forward-Looking Information, there may be other factors that cause actions or results not to be as anticipated, estimated or intended.

Any Forward-Looking Information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any Forward-Looking Information, whether as a result of new information, future events or results or otherwise.

CORPORATE STRUCTURE

The Company was incorporated under the *Company Act* (British Columbia) on June 7, 1966 under the name of Sabina Industries Limited. The name of the Company was changed to New Sabina Resources Limited on March 23, 1984, to Sabina Resources Limited on December 17, 1987, to Sabina Silver Corporation on October 17, 2005 and to Sabina Gold & Silver Corp. on October 28, 2009. On July 31, 2008, Sabina transitioned under the *Business Corporations Act* (British Columbia).

The Company's head office is located at Suite 1800, 555 Burrard St., Bentall II, Vancouver, British Columbia, Canada V7X 1M9 and its registered office is located at Suite 1200, 750 West Pender Street, Vancouver, British Columbia, Canada V6C 2T8.

The Company has one subsidiary, Sabina Back River Ltd., an Alberta company which is wholly-owned.

GENERAL DEVELOPMENT OF THE BUSINESS

Prior to 2006, the Company was a junior mineral resource exploration company with properties in Ontario and British Columbia. In January 2006, the Company earned a 100% interest (subject to certain royalties) in the Hackett River silver zinc project (the "**Hackett River Project**") located in Nunavut, Canada. See "Acquisition of the Hackett River Project". In June 2009, the Company acquired a 100% interest in the Back River Project (the "**Back River Property**" or "**Back River Project**") and the Wishbone Greenstone Belt (the "**Wishbone Project**") in Nunavut, Canada. See "Acquisition of the Back River Assets". In November 2011, the Company completed the sale of the Hackett River Project to Xstrata Canada Corporation, Zinc Canada Division ("**Xstrata**") (which is now Glencore Canada Corporation ("**Glencore**") for cash and a royalty on silver produced from the Hackett River Project. See "Sale of the Hackett River Project". The Back River Project is the Company's main asset with estimated cumulative exploration and evaluation expenditures of $306.4 million spent on the mineral property since 2009.

Total drilling during 2018 over the Back River Property reached approximately 22,500 metres in 40 holes. Of this approximately 93% are at the Goose Property with the remaining drilling being carried out at other Back River Project claim blocks.

Below is a description of how the Company's business has developed over the last three completed financial years.

2016

From April 25 – 30, 2016, final public hearings were held in Cambridge Bay, Nunavut as part of the Nunavut Impact Review Board ("**NIRB**") environmental assessment process. During the

public hearings, the Back River Project received support from the KIA, all the Kitikmeot communities and federal and territorial governments.

On May 20, 2016, the Company completed a bought deal financing of 18,410,000 common shares of the Company (the "**Common Shares**") at $1.63 per Common Share as well as part an over-allotment granted to the underwriters for 1,380,750 Common Shares for total gross proceeds of $32.3 million. The underwriters received a cash commission of 5% of the gross proceeds of the financing.

On May 25, 2016, the Company announced preliminary metallurgical optimization test results on the Back River Project from a program to assess potential metallurgical improvements including a coarser grind, long leach resonance time and flotation followed by fine grinding of concentrates. The results from the first round of test work were positive with recoveries for three of four composite samples from the main deposits showing a potential to increase in gold recoveries. Further flotation test work on this opportunity was ongoing.

On June 15, 2016, the Company received a copy of the recommendation report from the NIRB (the "**NIRB Recommendation**") to the Minister (the "**Minister**") of Indigenous and Northern Affairs Canada ("**INAC**") in which the NIRB recommended that the Back River Project not proceed to regulatory phase at that time, but indicated that the proposal could be reconsidered once more information is provided to address uncertainties regarding certain effects predictions and mitigation measures. The Minister is responsible to make a decision on how the Back River Project should proceed and had three options: 1) to agree with the NIRB; 2) to reject the NIRB's recommendation; or 3) to refer the Back River Project back to the NIRB for further review.

Following the receipt of the NIRB Recommendation, the Company completed a series of meetings in communities in the Kitikmeot Region of Nunavut, where it continued to receive broad based support for the Back River Project from community members, hamlet councils, advisory committees and Inuit organizations.

On July 20, 2016, the Company submitted a response to the NIRB Recommendation to the Minister detailing what the Company believed were strong grounds for the Minister to reject the NIRB Recommendation and refer it back to the NIRB to set terms and conditions for a project certificate.

In July 2016, the Government of Canada requested feedback on the NIRB Recommendation from certain indigenous groups and territorial governments.

During 2016, the Company completed an exploration program which consisted of approximately 2,700 meters of drilling on three targets at the Goose site: Kogoyok, Hivogani and Convergence. A new discovery was made at the Convergence target and encouraging results also continued at the Kogoyok target. The Company also completed an exploration program comprised of geological mapping, rock sampling, till sampling, prospecting and review of select historic drill core. The field work was completed at numerous areas at the Goose, George, and Boulder properties. Results of the program have been incorporated into updated exploration models and used to advance priority targets and concept areas for future exploration.

2017

On January 12, 2017, the Minister, with the agreement of other responsible ministers, decided that the Back River Project should be referred back to the NIRB for further consideration. On January 24, 2017, the NIRB provided guidance to all parties on the scope and process of further

review of the Back River Project and the NIRB requested that Sabina file an updated Final Environmental Impact Statement ("**FEIS**") or FEIS Addendum "as soon as practicable". Sabina filed the FEIS Addendum on February 16, 2017 which focused on the deficiencies noted in the NIRB's Final Hearing Report as well as in the Minister's letter referring the Back River Project back to NIRB. On February 23, 2017, Sabina was advised by NIRB that the FEIS Addendum was formally accepted and the technical review had begun.

On February 28, 2017, the Company completed a bought deal private placement financing of 3,470,000 flow-through Common Shares at a price of $1.75 per share for gross proceeds of $6.1 million. The underwriters received a cash commission of 5% of the gross proceeds of the financing.

During 2017, the Company completed a two phased exploration program which consisted of approximately 12,603 meters over 22 drill holes with significant results, including successfully demonstrating the potential for growth of the existing deposits at Goose and discovery of a new significant mineralization target, the deep iron formation ("**DIF**").

As part of the NIRB environmental assessment process, Sabina completed final public hearings during May 31 – June 3, 2017 in Cambridge Bay, Nunavut. The hearings were comprised of two days of technical presentations and a two day community roundtable. At the conclusion of the hearings, all federal regulatory agencies, the Government of Nunavut and the Kitikmeot Inuit Association advised the NIRB that they had no outstanding technical issues with the Back River Project. In addition, all seven Kitikmeot communities were represented at the community roundtable and all community representatives advised the NIRB that they wanted the project to proceed.

On June 29, 2017, the Company engaged Cutfield Freeman & Co as its financial advisory firm to provide independent advice on all aspects of mine finance.

On July 18, 2017, NIRB issued a revised Final Hearing Report which recommended to the Minister that the development of the Company's Back River Project should proceed to the licensing phase.

On August 15, 2017, the Company closed the first tranche of a $6.0 million flow-through offering comprised of 1,403,510 flow-through Common Shares at $2.85 per share for gross proceeds of approximately $4.0 million. On September 12, 2017, the Company closed the second tranche of the offering, comprised of 701,755 flow-through Common Shares at $2.85 per share, for gross proceeds of approximately $2.0 million.

On October 18, 2017, the Company and the KIA jointly announced the execution of a binding term sheet for land tenure and Inuit benefits for the Back River Project. The term sheet set out the principal terms that were included in the definitive Framework Agreement (the "**FA**"), which includes several underlying agreements including an Inuit Impact and Benefits Agreement ("**IIBA**"). See "Description of the Back River Property – Community Sustainability - Update" for additional information.

In a letter dated December 6, 2017, the Minister on behalf of the five responsible federal Ministers, accepted NIRB's recommendation that the Back River Project proceed to the licensing phase and directed the NIRB to issue a Project Certificate for Back River Project, which was to attach the terms and conditions for the Back River Project to proceed through mine development, construction, operation and eventual closure.

On December 11, 2017, the Nunavut Water Board ("**NWB**") commenced public review of the Type A and Type B water license applications of the Company related to the initial development, mine construction and operation of the Back River Project.

On December 19, 2017, the Company announced an agreement by Zhaojin International Mining Co., Ltd. ("**Zhaojin International**") to purchase 24,930,000 Common Shares at a price of $2.65 per share for a total investment of $66.1 million.

On December 19, 2017, the NIRB issued the Back River Project Certificate to the Company with terms and conditions marking the end of the environmental assessment process.

2018

On January 19, 2018, the financing with Zhaojin International (noted above) completed and the Company received net proceeds of $62.1 million after financing costs of $4.0 million.

On February 9, 2018, the Company announced the appointment of Mr. Leo Zhao to the Company's Board of Directors. Mr. Zhao joined the Board as Zhaojin International's nominee to the Board pursuant to Zhaojin International's board representation right which the Company granted in connection with the financing with Zhaojin International that closed on January 19, 2018.

On March 14, 2018, the Company received its Type B Water License for the Back River Project from the NWB which is a key license to enable the Company to complete pre-development activities at the Goose Project. These activities include preparing the marine laydown area to receive necessary fuel, equipment and supplies to the project as well as pre-development earthworks to establish all weather roads between the deposits, camp sites, tailings storage facility and the mill site.

On March 15, 2018, the Company announced it had appointed Lello Galassi as its Vice-President, Project Development & Construction. Mr. Galassi's breadth of knowledge includes mine development, construction and logistics in remote locations around the world.

On April 23, 2018, the Company announced that it had finalized the FA, including the IIBA and long-term land tenure agreements with the KIA. The FA has a maximum term of 20 years and includes, among other things, key provisions and agreements including a 1% Net Smelter Royalty, the issuance of 6.7 million Common Shares to the KIA and an initial investment of $4 million in regional wealth creation initiatives in the Kitikmeot region to create wealth and job opportunities outside of the mining industry.

On May 16 and 17, 2018, the Company completed a non-brokered financing of 3,355,500 flow-through Common Shares at a price of $2.00 per share for gross proceeds of $6.7 million.

On June 5, 2018, the Company announced the final results from the 2018 spring exploration diamond drilling program at the Back River Project. The spring exploration drill program of 6,033 meters in 10 drill holes at six target areas on the Goose property was completed during early May 2018. Drilling tested target areas in and around existing mineral resources at the Llama and Umwelt deposits and stand-alone exploration targets outside of the known resource areas. Highlights from drilling, in addition to results previously released from the newly discovered high grade Llama Extension zone, include results from: 1) two drill holes that tested the Umwelt structure north of the high grade Vault zone; 2) additional up-hole assays returned from one of the high grade drill holes at the Llama Extension zone; and 3) results from the initial testing of

the possible extension of the Goose Main structure (the Nuvuyak target) over 700m west of defined open pit mineralization.

On June 6, 2018, the Company held its Annual General Meeting of Shareholders. Messrs. Roy Wilkes (retired Chair) and Jonathan Goodman did not run for re-election for the 2018/2019 year. Mr. Rick Howes was elected to the Board as the nominee for Dundee Precious Metals Inc.

On August 20, 2018, the Company announced a new discovery at the Nuvuyak target at the Goose Property. Drill hole 18GSE545 intersected 11.58 g/t Au over 39.50m with abundant visible gold approximately 850 m along strike to the west of the Goose Main deposit.

On September 4, 2018, the Company announced completion of the Marine Laydown Area (the "**Port**") and the delivery of equipment and fuel on two sealifts to the Port. The cost to complete this work was approximately $24.0 million, compared to approximately $22.6 million estimated cost (excluding contingency) in the initial project feasibility study on the Back River Project (the "**IFS**") and this work was completed ahead of schedule.

On September 24, 2018, the Company received a positive recommendation to the federal government for the issuance of the Type A Water License required for the Back River Project. The Type A Water License was issued to the Company on November 15, 2018 marking the completion of the environmental and regulatory assessment process for the Back River Project.

On November 21, 2018, the Company reported results from the 2018 summer exploration program from the Boulder property at the Back River Project. The geology at Boulder is similar to other prospective locations throughout the Back River District as it is host to extensive poly-deformed sequences of oxide iron formation, the principal host to gold mineralization at Back River.

On December 4, 2018, the Company provided a project update announcing an increased initial capital cost ("**CAPEX**") estimate from the IFS estimate by approximately 15% to a revised estimate of $475 million. Of this, approximately $55 million was spent in 2018 on Port construction, pre-development earthworks, the purchase of a significant amount of heavy-duty construction equipment, spares and supplies, and sealift of this equipment and materials to the Port during August and September 2018, leaving a remaining CAPEX estimate of $420 million.

On December 21, 2018, the Company completed a bought deal financing of 23,408,443 Common Shares for gross proceeds of $25.36 million including the purchase of 3,334,000 Common Shares by Dundee Precious Metals who has a right to maintain their pro-rata ownership interest under a participation rights agreement. The underwriters of the financingwere paid a 5% commission. Zhaojin International elected to exercise its participation right in relation to this financing to purchase, by way of private placement, 2,317,443 Common Shares of the Company at $1.20 per share for gross proceeds of approximately $2.8 million.

2019

On January 7, 2019, the Company announced the final exploration results from 2018, including the down plunge expansion of the Nuvuyak discovery at the Back River Project. In 2018, the Company completed 22,500 m of diamond drilling including 16,500 m of drilling during the summer exploration program. The summer program largely focused on the new high-grade discovery at Nuvuyak as well as advancing additional high priority targets for the Goose Property which includes the Llama Extension, Hook, Umwelt, and Echo zones. The summer

program results were highlighted by the rapid expansion of the Nuvuyak discovery where a strong down plunge extension of approximately 50 m was confirmed by new results.

On February 22, 2019, the Company announced its budget and work plans for 2019. The 2019 budget enables the Company to continue its two-pronged approach: completing project development activities that continue to reduce execution risk as well as continuing high value exploration. The 2019 budget totals approximately $41 million in expenditures, including certain discretionary expenditures of $6-8 million for earthworks programs at Goose. The discretionary spending will be assessed during the year and depending on prevailing market sentiment could be deferred resulting in a larger cash balance at the end of 2019. Additionally, given the current market sentiment and access to equity, the Company announced a one year delay in the first gold production of the Back River Project to Q4, 2022.

BUSINESS OF THE COMPANY

Sabina is an emerging gold development company focused on the acquisition, exploration and development of mineral resource properties. The Company is primarily focused on the Back River Project located in Nunavut in the Canadian Arctic. Sabina also holds a silver royalty of 22.5% on the first 190 million ounces and 12.5% thereafter on silver produced at the Hackett River Project, which was sold to Glencore in November 2011. The Company also has the grassroots exploration Wishbone Project, also in Nunavut, and interests in several properties in the Red Lake area of northwestern Ontario.

The Company had approximately 23 full-time employees as at December 31, 2018.

The following sections entitled “Back River Assets”, “Hackett River Silver Royalty” and “Other Properties” describe the Company’s mineral resource properties. The Company considers its Back River Project and its royalty interest in the Hackett River Project to be its only material mineral properties.

BACK RIVER ASSETS

Acquisition of the Back River Assets

The Back River assets (the “**Back River Assets**”) consist of two main components, the original Back River Project hosting the George and Goose iron formation hosted gold deposits and a grassroots project area, the Wishbone Project. The combined properties total approximately 1,080 square km and cover a largely unexplored highly prospective greenstone belt.

Pursuant to an asset purchase agreement dated March 27, 2009 (as amended, the “**Back River Agreement**”) between the Company and Dundee Precious Metals Inc. (“**DPM**”), on June 9, 2009 the Company acquired the Back River Assets from DPM for the following consideration: (i) $7 million in cash, (ii) 17 million Common Shares, (iii) Series A special warrants (“**Series A Special Warrants**”) exercisable to acquire, for no additional consideration, 5,000,000 class A units (“**Class A Units**”), and (iv) Series B special warrants (“**Series B Special Warrants**”) exercisable to acquire, for no additional consideration, 5,000,000 class B units (“**Class B Units**”).

The Series A Special Warrants were for a term of 35 years and were exercised as a result of a positive decision being made by the board of directors of Sabina to proceed with the preparation of a feasibility study (as defined in National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”)) on all or part of the Back River Assets.

The Series B Special Warrants are exercisable for a term of 35 years for no additional consideration, at such time as any of the following events shall occur:

(a) a positive decision being made by the board of directors of Sabina (or the operator or majority owner of the Back River Project if not the Company) to bring all or any part of the Back River Project into production;

(b) a consolidation, amalgamation, merger or takeover of Sabina with, into or by another body corporate that results in the acquisition of at least 66-2/3 of the outstanding Common Shares for cash consideration or, if for non-cash consideration, as long as the acquisition price is at least a 25% premium to the volume weighted average trading price of the Common Shares on the TSX, for the five consecutive trading days ending on the trading day prior to the first public announcement of such consolidation, amalgamation merger or takeover; or

(c) the transfer of the undertaking or assets of Sabina as an entirety or substantially as an entirety to another corporation or entity that is subject to shareholder approval of Sabina.

Each Class A Unit and Class B Unit consisted of one Common Share and one-half of one share purchase warrant. Each whole warrant was exercisable to purchase one Common Share at a price of $1.07 each (the "**Exercise Price**") until June 9, 2014. All share purchase warrants expired unexercised.

Pursuant to the Back River Agreement, DPM and Sabina entered into certain ancillary agreements. The following is a description of each of the ancillary agreements.

Equity Participation Agreement

The Equity Participation Agreement dated June 9, 2009 between DPM and Sabina (the "**EPA**") grants to DPM the right to participate (the "**Participation Right**") in any equity securities issued pursuant to a financing of Sabina (an "**Equity Financing**"), or equity securities issued by Sabina in connection with the acquisition of any shares or assets of a third party (an "**Acquisition Transaction**"). In particular, DPM may exercise its Participation Right to maintain up to its Pro Rata Interest (as defined below) of the equity securities to be issued in an Equity Financing or Acquisition Financing (calculated after giving effect to the proposed issue of equity securities).

The Participation Right will terminate in the event that DPM ceases to beneficially own at least 10% of the number of Common Shares outstanding (calculated on an undiluted basis).

For purposes of the Equity Participation Agreement, "Pro Rata Interest" means, on any given date, the ownership interest of DPM in Sabina, expressed as a percentage, and calculated as follows: (i) the number of outstanding Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by DPM (before giving effect to the exercise, conversion or exchange of any securities exercisable for, convertible into, or exchangeable for, Common Shares, including the Series A Special Warrants and Series B Special Warrants and the Class A Warrants and Class B Warrants) on such date; divided by (ii) the aggregate number of outstanding Common Shares (before giving effect to the exercise, conversion or exchange of any securities exercisable for, convertible into or exchangeable for Common Shares, including the Series A Special Warrants and Series B Special Warrants and the Class A Warrants and Class B Warrants) on such date.

Nomination Rights Agreement

The Nomination Rights Agreement dated June 9, 2009 between DPM and Sabina grants to DPM the right, as long as DPM holds at least 15% of the outstanding Common Shares, to nominate two directors to the board of Sabina and, as long as DPM holds at least 10% of the outstanding Common Shares, to nominate one director to the board of Sabina.

Qualification Rights Agreement

The Qualification Rights Agreement dated June 9, 2009 between DPM and Sabina grants to DPM the right to request the qualification of Common Shares owned by DPM for distribution by prospectus, at DPM's expense (unless such qualification for distribution is part of a public distribution being made by Sabina), as long as DPM holds more than 20% of the outstanding Common Shares or is otherwise considered a "control person" as such term is defined under the *Securities Act* (Ontario).

Description of the Back River Property

The following is extracted from the executive summary of the technical report supporting the IFS titled "Technical Report and Initial Project Feasibility Study for the Back River Gold Property, Nunavut" dated October 28, 2015 with an effective date of September 14, 2015 authored by Gordon Doerksen, Dino Pilotto, Stacy Freudigmann, Andrew Fowler, Dinara Nussipakynova, John Morton Shannon, Maritz Rykaart and Robert Mercer (the "**IFS Report**"), which the Company filed on SEDAR on October 29, 2015, other than the "Update" sections containing information pertaining to the review of the Back River Project by the NIRB and the Minister, the negotiation of an IIBA, and additional work conducted on the Back River Project, all of which occurred subsequent to the date of the IFS Report. In addition, the "Back River Project Optimization Work – 2017" section below also describes work carried out subsequent to the date of the IFS Report. For full technical details in respect of the IFS, reference should be made to the complete text of the IFS Report which is available on SEDAR under the Company's profile at www.sedar.com and which is incorporated by reference herein. The following summary does not purport to be complete and is subject to all the assumptions, qualifications and procedures as set out in the IFS Report and is qualified in its entirety with reference to the full text of the IFS Report.

In 2015, Sabina commissioned JDS Energy & Mining Inc. ("**JDS**") to lead the IFS and the following companies contributed to the study:

- JDS – Mineral Reserves, mining, processing, on-site and off-site infrastructure, logistics, capital costs, operating costs, financial analysis, and report preparation;
- Canenco Canada Inc. ("**Canenco**") – processing and metallurgy;
- AMC Mining Consultants (Canada) Ltd. ("**AMC**") – geology and Mineral Resources;
- SRK Consulting (Canada) Inc. ("**SRK**") – geochemistry, hydrogeology, overburden geotechnical evaluation, tailings and waste rock management, and water management; and
- Knight Piésold Ltd. ("**KP**") – mining geomechanical evaluation.

Project Concept

The IFS was conceived after it was recognized that financing the initial capital for the 6,000 tonnes per day (t/d or tpd) Project, as set out in the June 2015 Feasibility Study (JDS 2015 "Technical Report and Feasibility Study for the Back River Gold Property, Nunavut", June 22, 2015 with an effective date of May 20, 2015), referred throughout this report as the "**6KFS**", would be challenging under prevailing market conditions. A conceptual study of a smaller throughput, higher grade, and reduced capital cost estimate (CAPEX) option showed the potential for an improved internal rate of return ("**IRR**") and less execution risk. The Project was advanced based on the IFS and consists of open pit and underground mining at the Goose Site that will feed a 3,000 t/d whole-ore leach process plant. Mining operations are planned to continue for a 10-year period, while the plant will operate for a further two years, resulting in a total mine life of 12 years. The plan is designed to produce an average of 194,000 oz of gold per year as doré bullion. A total of 12.4 Mt of ore is planned to be mined at a mill head grade of 6.3 g/t and a projected gold recovery of 93%. A total of 2.32 Moz of gold is projected to be recovered over the life of mine. The Project would be built over a 24-month period at an initial capital cost of $415 million. Initially, tailings would be stored in a purpose-built storage facility, followed by deposition into an exhausted open pit.

Although Mineral Resources for both the Goose and George sites are reported, only the Goose Site resources are considered for mining in this IFS.

Project Location and Access

The Project is located in the southwestern part of Nunavut Territory, Canada. It is situated approximately 520 km northeast of Yellowknife, Northwest Territories, 225 km east of the closed Lupin gold mine, 50 km southeast of Glencore Plc's Hackett River Project, 285 km south of TMAC Resources Inc.'s Hope Bay Project (Doris), and 95 km southeast of the southern end of Bathurst Inlet.

The Project is currently accessed and supplied by air, using a combination of both seasonal ice and all-weather airstrips at the Goose Site. During the construction phase and throughout the life of the mine, most equipment, supplies, and fuel would be transported to a Port Facility by ocean-going barges and vessels during the summer open-water season. The Port Facility would be located on the southern portion of Bathurst Inlet.

Materials would then be transported to the Goose Site by tractor-trailers and road tankers using winter ice roads. Employees would work on a fly-in/fly-out shift rotation basis and be housed in fully catered camps.

Property Ownership and History

The Property is 100%-controlled by Sabina, and is subject to net smelter return (NSR) royalties on the Goose and George deposits, payable to various third parties. Additionally, a net profit royalty is payable to the Crown that is deductible from income taxes.

Since exploration began in 1982, the Property has had several owners. Most recently, Dundee Precious Metals Inc. (DPM) conducted operations from 2005, until Sabina purchased the Property in 2009. Prior to that, periods of intensive exploration were conducted by Homestake Mineral Development Company (Homestake Mineral) from 1987 to 1996, Kit Resources Ltd. (Kit) from 1997 to 1998, Kinross Gold Corp. (Kinross), and Miramar Mining Corporation (Miramar) and DPM from 1999 to 2009. Since 2009, Sabina explored the Property with several,

multi-faceted campaigns. To date, there has been no recorded gold production from any of the Property's deposits.

Geology and Mineralization

The Property displays gold mineralization that is associated with quartz veins, silicification, and shearing. The gold mineralization occurs within silicified and variably sulphidized iron formation and, to a lesser extent, meta-sedimentary units that commonly have a spatial association with narrow porphyritic felsic dykes and mudstones, wherever these units are present. Gold mineralization is located within two principal areas of the Back River Property: the Goose Site and the George Site. This IFS focuses on advancing the Goose Site only, with no attempt to incorporate the George Mineral Resources.

The Goose Site consists of four main deposits that contain predominantly structurally-controlled gold mineralization: Goose Main, Echo, Umwelt, and Llama. Gold mineralization is predominantly hosted within the Lower Iron Formation (LIF) and, to a much lesser extent, the underlying sediments. The Goose Main, Umwelt, and Llama deposits are associated with anticlinal structures that have been structurally thickened and disrupted, and cut by axial planar felsic dykes, which apparently trace the fluid pathways and are related to mineralization.

The Echo deposit is associated with gentle folding of iron formation and a cross-cutting felsic dyke. Mineralization is spatially associated with the felsic dyke.

The George Site consists of six main deposits: Locale 1 (Loc1), Locale 2 (Loc2), Slave, GH, LCP North (LCPn) and LCP South (LCPs). Gold mineralization is located within oxide iron formations near the stratigraphic base of this unit. Less significant gold mineralization is also hosted within a silicate iron formation. Gold-bearing zones are associated with sulphide concentrations in the iron formation, and are commonly accompanied by increased quartz veining and attendant alteration of the surrounding rocks.

Metallurgy

Multiple historical test work programs have been undertaken, including comminution, process mineralogy, ore sorting and gold recovery by gravity concentration, flotation, and cyanidation. Significant mineralogical characterization studies, focusing on gold occurrence in various mineral samples across the deposits, have also been undertaken.

In early 2013, a comprehensive metallurgical test program was conducted to further assess the metallurgical performance of the mineralization to support the Prefeasibility Study (PFS). A subsequent and more detailed test program commenced in late 2013 and concluded mid-2014 to support the 6KFS and subsequently the IFS.

The test work indicated that mineral samples collected from five different geographical zones and five different rock types responded similarly to gravity concentration and cyanidation. The process flow sheet was developed using test results from all of the mineralized zones. Other engineering data was also generated, including tailings settling and viscosity data, and carbon loading response. The 2014 test results were comparable to the results produced from the historical test programs.

Based on the 2014 and historical test results, a combination of gravity separation and cyanide leach processes was proposed for the Project. The concentrate from the gravity separation circuit will be leached separately by intensive cyanide leaching. Although flotation test work

demonstrated reasonable recoveries, this process was not selected as it introduces technical complexity to the process.

The 2014 test results are summarized as follows:

- Whole-ore leach ('WOL") showed slightly better metallurgical recoveries when compared to a flotation/regrind/concentrate leach circuit;
- Gold recoveries by gravity concentration ranged from 16 to 76%;
- A weighted average Bond Ball Mill work index (BWi) of 15.1 kWh/t was determined, indicating moderate hardness in terms of grinding requirements; and
- The optimum grind for the mineralization using a WOL flowsheet was determined to be approximately 50 µm (P80).

Test work results were used to determine the relationship between mill-feed grade and metallurgical recoveries for each of the deposits as shown in Table 1.1.

Table 1.1: Gold Recovery Projections

Mineral Zone	Head Grade (Au g/t)	Estimated Gold Recovery (%)
Umwelt Open Pit	6.49	92.0
Umwelt Underground	7.38	92.0
Llama Open Pit	7.15	91.1
Goose Main Open Pit	5.00	95.0
Life of mine (LOM)	6.30	93.0

Source: JDS 2015

Mineral Resource Estimate

The Property contains an estimated Measured and Indicated Resource of 28.2 Mt at 5.87 g/t Au, containing 5.33 Moz Au (Table 1.2). Mineral Resources are reported for both Goose and George sites. However, this Initial Project Feasibility Study focuses on advancing the Goose deposits: Llama, Umwelt and Goose Main.

The Mineral Resource for the Goose deposits was reported using a conceptual open pit design at a 1.0 g/t cut-off value and a conceptual underground mine design at a 3.5 g/t cut-off value (except Umwelt, which was designed at a 4.5 g/t cut-off value) assuming a gold price of US$1,500/oz and an exchange rate of C$1.00 to US$1.00.

The Mineral Resource for the George deposits was reported using a conceptual open pit design at a 1.0 g/t cut-off value and a conceptual underground mine design at a 4.0 g/t cut-off value assuming a gold price of US$1,500/oz.

The Mineral Resource estimate is based on geologic block models that incorporated the following:

- 896 drill holes (for a total of 244,853 m and 124,274 assays) at the Goose Site on the Llama, Umwelt, Echo, and Goose Main deposits; and

- 770 drill holes (for a total of 139,695 m and 54,273 assays) at the George Site on the LCPn, LCPs, Loc1, Loc2, GH, and Slave deposits.

Mineralized domains were constructed to constrain the estimates using a 0.3 g/t Au threshold for both the Goose and George sites. Capping was employed where required, and varied by deposit. Data density allowed for Indicated and Inferred resources to be classified at all deposits, with Measured Resources also classified at the Goose Main, Llama, and Umwelt deposits.

Table 1.2: Summary of Estimated Mineral Resources (as of October 21, 2014)

Classification	Tonnes (kt)	Grade (Au	Contained Metal (koz)
Measured	10,273	5.27	1,740
Indicated	17,969	6.22	3,593
Measured and Indicated	28,242	5.87	5,333
Inferred	7,750	7.43	1,851

1. Canadian Institute of Mining (CIM) definitions were used for the Mineral Resources.

2. Ms. D. Nussipakynova, P.Geo. and Dr. A. Fowler, Ph.D., MAusIMM, CP (Geo), both from AMC and Qualified Persons under NI 43-101, take responsibility for the Mineral Resource estimates.

3. Open pit Mineral Resources are constrained by an optimized pit shell at a gold price of US$1,500 oz. The cut-off grade applied to the open pit resources is 1.0 g/t Au.

4. The underground cut-off grade is 4.0 g/t Au for all George Mineral Resources (LCPn, LCPs, Loc1, Loc2, GH, and Slave), 3.5 g/t Au for Goose Main, Echo, and Llama, and 4.5 g/t for the Umwelt deposit.

5. Estimations assumed an exchange rate of C$1.00 to USD$1.00.

6. The George Mineral Resources were estimated within mineral domains expanded to a minimum horizontal width of 2 m for the underground Mineral Resources.

7. Drilling results up to December 31, 2013 are included, except for Echo (July 4, 2014) and Loc1 and Loc2 (July 21, 2014).

8. George Mineral Resources account for 32% and 53% of Indicated and Inferred gold ounces respectively.

9. The numbers might not add due to rounding.

10. Mineral Resources include Mineral Reserves.

11. Source: AMC Mining Consultants (Canada) Ltd. 2015

Mineral Reserve Estimate

The Mineral Reserve estimate for the Property is based on the Mineral Resource estimate for the Llama, Umwelt and Goose Main deposits, completed by AMC, with an effective date of October 21, 2014.

The Mineral Reserves were developed by examining each deposit to determine the optimum practical mining method. Cut-off grades were then estimated based on appropriate mine design criteria and the adopted mining method. The mining methods chosen were shovel-and-truck open pit mining at Umwelt, Llama and Goose Main, and underground mining using post pillar cut-and-fill (PPCF) at Umwelt. For the purposes of this IFS, Mineral Reserves from the George deposits were not part of this study and they are therefore not adequately supported by current economic reserve assumptions.

The estimated Proven and Probable Mineral Reserves total 12.4 Mt at 6.30 g/t Au, containing 2.50 Moz Au (Table 1.3).

Table 1.3: Summary of Estimated Mineral Reserves (as of September 14, 2015)

Area	Classification	Diluted Tonnes (kt)	Diluted Grade (Au (g/t))	Contained Metal (Au (koz))
Total Open Pit	Proven	6,983	5.97	1,340
	Probable	1,885	5.52	335
Total Underground	Proven	20	9.52	6
	Probable	3,471	7.37	822
Total Back River Property	Proven	7,003	5.98	1,346
	Probable	5,356	6.72	1,157

1. A gold price of US$1,250/oz is assumed.
2. An exchange rate of C$1.15 to US$1.00 is assumed.
3. The numbers might not add due to rounding.
4. Notes for Open Pit:
   a) Dilution and recovery factors are applied as per open pit mining method.
   b) A COG of 2.08 g/t was used for the Umwelt open pit Mineral Reserve estimate.
   c) A COG of 2.14 g/t was used for the Llama open pit Mineral Reserve estimate.
   d) A COG of 2.07 g/t was used for the Goose Main open pit Mineral Reserve estimate.

Notes for Underground:
a)Dilution and recovery factors are applied as per underground mining method.
2 b)A COG of 3.86 g/t was used for the Umwelt underground Mineral Reserve estimate.
Source: JDS 2015

Both the Mineral Resource and Mineral Reserve estimations take into consideration on-site operating costs (e.g., mining, processing, site services, freight, general and administration), geotechnical analysis for both open pit wall angles and underground stope size, metallurgical recoveries, and selling costs. In addition, the Mineral Reserves incorporate allowances for mining recovery and dilution, and overall economic viability.

Mining Operations

Conventional shovel-and-truck open pits combined with an underground mine are projected to provide the process plant feed at a nominal rate of 3,000 t/d or 1.1 (Mt/a) for a period of 10 years (including the initial pre-production period). Annual mine production of ore and waste is profiled to peak at 13.7 Mt/a from the open pits, with a LOM waste to ore stripping ratio of

10.5. Ore production from underground mining will peak at 0.6 Mt/a and will supplement the feed from the open pits. In order to optimize the Project cash flow, the run of mine ore is planned to be segregated into high, medium, and low-grade stockpiles located adjacent to the processing plant. These stockpiles will also serve to buffer mill processing from mining production. The ore production schedule is shown in Table 1.4.

The mining areas are scheduled to target higher grade material to be delivered from the Umwelt and Llama deposits earlier.

Mining would begin at Goose Site in Year -1 at Umwelt pit to provide waste rock for construction and enable the stockpiling of high grade ore prior to the start of plant processing. Open pit mining would then transition sequentially to the Llama and Goose Main pits. Open pit mining would be completed by Year 8. Underground ore production at Umwelt would begin in Year 3 and continue until Year 9.

Table 1.4: Run of Mine Ore Production Schedule for Open Pit and Underground Mining

Deposit	Unit	Pre-production	Years 1 to 5	Years 6 to 10	Total
Goose Site – Open Pit					
Umwelt	kt	481	2,187	0	2,668
Llama	kt	0	1,749	0	1,749
Goose Main	kt	0	2,043	2,408	4,451
Goose Site – Underground					
Umwelt	kt	0	1,324	2,168	3,492
Overall					
Total Ore Mined	kt	481	7,302	4,575	12,359
Plant Feed	kt	0	5,174	7,185	12,359
Head Grade	g/t Au	0	8.3	4.9	6.3
Recovery	%	0	92.6	93.6	93
Average Annual Recovered Metal	koz	0	274.5	161.5	208.6

Source: JDS 2015

Open pit mining operations would use a fleet comprising 7 m^3 shovels, one 7 m^3 front-end loader, 4 m^3 excavators, and 64 t haul trucks. This fleet would be supplemented by drills, graders, and track and rubber-tire dozers. A 5 m bench height was selected for mining in ore and waste with overall 20 m effective bench heights based on a quadruple-bench configuration.

Underground mining operations would be carried out using Post Pillar Cut-and-Fill and use a combination of two-boom jumbos, long-hole production drills, 10 t load-haul-dump (LHD) vehicles, and 30 t trucks.

Recovery Methods

The 3,000 t/d process plant would be designed to use conventional crushing, grinding, gravity concentration, gold leaching by cyanidation, gold adsorption by carbon-in-pulp (CIP), and gold recovery from loaded carbon and gravity concentrate to produce gold doré. Cyanide destruction of the tailings will be by SO_2/Air. The overall design philosophy uses proven equipment with a

simple and conventional single-line process flow that can be operated and maintained effectively in an arctic environment.

The process plant includes the following:

- Three-stage crushing circuit reducing run of mine (ROM) ore to 80% passing (P80) 8.5 mm;
- Fine ore stockpile (feeding the mill) with a live capacity of 3,400 t;
- Grinding and gravity circuit comprising a ball mill (P80 180 µm), a fine grind mill (P80 50 µm), and a single centrifugal gravity concentrator;
- Cyanide leaching and carbon adsorption circuit;
- Carbon stripping and reactivation circuit;
- Gold electrowinning and refining circuit producing doré; and
- Tailings handling circuit, including cyanide destruction utilizing the SO_2/Air process.

Project Infrastructure

Due to the remoteness of the Property, significant infrastructure is required for freight, power generation, and manpower accommodation. Both the Port Facility and Goose sites will have bulk fuel storage tanks, laydown yards, diesel power plants, maintenance shops, accommodation camps, water and domestic waste management facilities, and satellite communications. An all-weather airstrip would be located only at the Goose Site. In winter, these sites would be connected by a winter ice road. All-weather roads allow for year-round access within each site.

The major infrastructure related to the mining and processing operations at Goose Site includes the process plant, tailings storage facilities, waste rock storage areas (WRSAs), water management drainage and storage ponds, and haul roads and equipment to service the open pit and underground mines. The central administration block will be located at the Goose Site.

The Port Facility would support the seasonal trans-shipment and staging of construction and operational freight. Because access to the Property is seasonal, the types and capacities of the Project infrastructure need to be able to store and transport the required quantities of equipment, materials, and supplies. Diesel would be received and stored in four 10-ML tanks at the Port Facility, providing sufficient capacity for peak operating needs of power generation and mobile equipment for one year. Similarly, subsequent years' requirements for consumables, such as processing reagents, maintenance materials, and bulk supplies, would be stored in heated or cold storage warehouses, laydown yards, and sea containers.

The installed power generating capacity would be 15 MW at Goose Site and 1.5 MW at the Port Facility. Buildings and facilities at the Goose Site will be heated primarily by heat recovered from the power plant. The Umwelt underground mine air will, where required, be heated by a dedicated diesel-fired furnace.

The accommodation complexes will be portable, modular units constructed off-site. The construction phase at the Goose Site will accommodate up to 303 workers. The construction and operation phases at the Port Facility will require accommodations for up to 94 workers.

The Property is located within the permafrost region; therefore, infrastructure that is particularly sensitive to differential settlement, such as the process plant and fuel storage tanks, would be built on competent bedrock. Less sensitive structures and linear surface elements, such as roads, pipelines, and airstrips, would be built on overburden soils and include an appropriate thermal protection layer.

Waste Management

Tailings Management

The Project would produce a total of 12.4 Mt / 10.3 Mm^3 of tailings over the LOM. The purpose-built Tailings Storage Facility (TSF) located adjacent to and south of the Goose Main open pit, was designed to contain the first four years of tailings (4.4 Mt / 3.6 Mm^3) behind a frozen foundation dam with an integral liner. The balance (8.0 Mt / 6.7 Mm^3) would be deposited into the mined-out Llama open pit (Llama TF). Ultimately, potential acid generating (PAG) and non-potentially acid generating (NPAG) waste rock would be deposited on the TSF once Goose Main Pit development starts, resulting in a period of co-disposal.

The TSF containment dam would be constructed as a frozen foundation rock-fill dam with a geosynthetic clay liner. The liner would be frozen into the key trench permafrost to seal the upstream slope.

The design and location of the TSF capitalizes on natural topography and its relative proximity to the processing plant. It is outside of the Inuit-owned land which is consistent with the Kitikmeot Inuit Association's (KIA) desire to have no subaerial disposal of tailings on their land. The operational timing and location of the TSF makes progressive reclamation and closure as a tailings and waste rock storage area feasible and desirable.

Waste Rock Management

Over the LOM, a total of 93.1 Mt of mining waste rock would be produced, including unconsolidated overburden. Quarry and waste rock are categorized as being either PAG or NPAG. Geochemical characterization was based on static and humidity cell testing, acid base accounting, and trace element analyses. The acid rock drainage potential was assigned to individual samples on the basis of the neutralization potential/acid generation potential (NP/AP) ratios. The PAG waste rock found on the Property has a slow reaction rate, and will only react in the order of decades.

The tailings have also been characterized as PAG with a similar low reactivity. The NPAG material will leach metals, specifically arsenic, under neutral conditions.

Waste rock would be identified, segregated and deposited as appropriate during the mining operation. Rock required for constructing pads, roads, and other infrastructure will be sourced from the available NPAG waste rock. The execution plan for Goose is based on sourcing this construction material from the Umwelt pit during the pre-production phase of mining.

Generally, waste rock would be placed in its final location and configuration within WRSA constructed near the source pits. The closure strategy is for the waste rock to freeze; PAG

material would be capped with a 5 m thick NPAG cover. This thickness was determined by thermal modelling which estimated an active layer thickness of between 3 and 4 m. The modelling suggested that lift thickness during placement is not critical to ensure timely freeze back (within ten years).

Water Management

The water management planning covers all phases of the Project from construction through operations to final closure, and accounts for a range of possible climatic and operational conditions. The Port Facility does not require water management infrastructure beyond best management practices.

Site-wide water and load balances were modelled. These took into account climatic variables, lake dewatering, saline groundwater arising from mining operations, contact water collected from WRSAs and site drainage, and the transfer and treatment requirements of fresh, reclaim, and process water. Various permanent and temporary diversions, holding ponds, and pumping systems will be used to achieve the management objectives throughout the mine life.

Water would be stored in a system of collection ponds depending on water type and timing (see Table 1.5 for Project water management phasing). During construction (Phase 1) Llama Lake will be dewatered and used to store contact water. Contact water would be transferred to the TSF. Intermediate storage ponds would be used in the water management circuits.

Table 1.5: Project Phases as Defined by Tailings and Water Management

Period	Phase	Stage	Project Year	Activity
Construction	1		-3 to -1	Mobilization and Construction
Operations	2	1	1 to 4	Tailings to TSF
		2	4 to 12	Tailings to Llama TF
Closure	3	1	12 to 14	Active Closure
		2	15 to 20	Passive Closure
Post-Closure	4		20 to as required	Monitoring

Source: SRK 2015

Phase 2 would begin with the start of ore processing in Year 1. Tailings would be deposited in the TSF and supernatant water would be reclaimed to the process plant. Saline groundwater would only start to be encountered once Umwelt open pit is completed which would then be used to store saline water. After open pit mining at Llama is complete, it would become a tailings facility (Llama TF) and receive tailings as well as contact water. Similarly, once Goose Main open pit mining is complete, the pit would become a contact water storage facility. This water would be treated to remove metals before being discharged to Goose Lake as required.

Phase 3 would begin when ore processing ends in Year 12. Treatment of water collected in Goose Main open pit and Llama TF will cease, and ponded water would be treated at the TSF WRSA as part of the closure phase. The TSF WRSA would be frozen by Year 20 and runoff would flow into Goose Main pit and then into Goose Lake. The site would effectively be closed at that point.

Environmental Studies and Permitting

New and modified mining projects in Nunavut are subject to environmental assessment (EA) and review prior to certification and issuance of permits to authorize construction and operations. The primary environmental review and approval process applicable to the Project is the territorial EA administered by the Nunavut Impact Review Board (NIRB). A Project Certificate, if recommended by NIRB, may be issued by the Minister of INAC at the conclusion of the EA process. This would represent government approval and allows the Proponent to pursue the necessary regulatory authorizations needed to construct and operate the Project.

Additionally, A Schedule 2 amendment is required under the Metal Mine Effluent Regulations and it is anticipated that this process will conclude in 2020 or 2021.

In June 2012, Sabina submitted a Project description and various applications to the NIRB, Nunavut Water Board, and INAC. In January 2014, a Draft Environmental Impact Statement was submitted to the NIRB.

In July 2014, Sabina responded to Project information requests and in October 2014, Sabina responded to agency technical comments. In November 2014, a week-long technical meeting and a pre-hearing conference were held in Cambridge Bay. A Pre-hearing Conference Decision report was produced based on these meetings with the Government of Canada, the Government of Nunavut, the Government of NWT, the KIA, and the general public.

The design of the Project includes a comprehensive water management plan for construction, operations, and closure. All Project components will be decommissioned and reclaimed according to best industry practices, and territorial and federal regulations. The closure plan uses proven practices that include appropriate long-term management of PAG/metal-leaching materials and any affected waters. The objective of final reclamation for the Project is to return the site to a productive condition after mining activities are completed.

Based on the information available and the proposed design, there appears to be no adverse environmental or socio-economic aspects that could limit the development of the Project.

On November 23, 2015, the Company filed the Back River Project FEIS with the NIRB. Public hearings on the FEIS occurred on April 25-30, 2016 in Cambridge Bay, Nunavut. During the hearings, the Back River Project received support from the KIA, all the Kitikmeot communities and federal and territorial governments.

On June 15, 2016, the Company received the NIRB Recommendation to the Minister and on Sabina's proposal for the Back River Project in which the NIRB recommended to the Minister that the Back River Project not proceed to the licensing phase at that time. On July 20, 2016, the Company submitted a response to the NIRB Recommendation to the Minister requesting that the Minister reject the NIRB Recommendation and refer it back to NIRB to set terms and conditions for a project certificate.

On January 12, 2017, the Minister, with the agreement of other responsible ministers, decided that the Back River Project should be referred back to the NIRB for further consideration. On January 24, 2017, the NIRB provided guidance to all parties on the scope and process of further review of the Back River Project. On February 15, 2017, the Company submitted its required FEIS Addendum. The NIRB held the final public hearings May 31 through June 3, 2017 in Cambridge Bay, Nunavut. During the hearing, the Back River Project continued to have

significant support, including all Kitikmeot communities stating that they wanted the project to proceed.

On July 18, 2017, the NIRB issued a revised Final Hearing Report which recommended to the Minister that the development of the Company's Back River Project should proceed to the licensing phase. In a letter dated December 6, 2017, the Minister on behalf of the five responsible federal Ministers, accepted NIRB's recommendation that the Back River Project proceed to the licensing phase and directed the NIRB to issue a Project Certificate with terms and conditions to the Company. The Project Certificate was issued to the Company by the NIRB on December 19, 2017. This concludes a five year comprehensive environmental assessment review.

The Company applied for its Type B and Type A water licenses in late 2017 and the Type B water license was issued on March 14, 2018 and the Type A water license was issued on November 14, 2018. The Type B water license was a key authorization to complete work for the Back River Project in 2018 and permitted the Company to complete pre-construction infrastructure works, including preparing the Port Facility to receive necessary fuel, equipment and supplies to the Back River Project, as well as pre-development earthworks to establish all weather roads between the deposits, camp sites, tailings storage facility and the mill site.

The Type A water license represented a key step in the environmental permitting process and allows for full construction and operation of the Back River Project, including development of the Umwelt open pit and underground, as well as the Llama and Goose Main open pits as envisioned in the current development plans. The Type A Water License also includes the ability to develop the Llama and Goose Main undergrounds as well as the Echo open pit and underground should Sabina choose to do so in the future. The Type A Water License also sets the closure bonding amounts for the Back River Project going forward.

Sabina will require additional authorizations or approvals from various federal and territorial department as well as various notifications from Sabina to various federal and territorial departments throughout the construction and operations phase of the project. These include but may not be limited to:

Authorization/Approval	**Anticipated date of Receipt**
Type B Water License	Received in March 2018
Type A Water License	Received in November 2018
MDMER Schedule 2 Listing for Tailing Storage Facility	H2 2019 to H2 2020
Fisheries and Oceans Canada Fisheries Offset Plan & Letter of Authorization	Q2 2019 and ongoing
Crown Indigenous Relations and Northern Affairs ("**CIRNA**") Land Lease (x2) • Tailings Storage Facility • Marine environment	 Q2 2019 Received in August 2018
Transport Canada Navigation Protection Program Approval (x3) • Desalination Plant Intake • Desalination Plant Discharge • Lightering Barge Terminal	 Received June, 2018 Received June, 2018 Q2, 2019
Transport Canada Navigation Protection Program Approval (x2) • Llama Lake Dewatering • Umwelt Lake Dewatering	 Q2 2019 Q2 2019

The majority of these approvals or authorizations require 20 to 120 days from submission to receipt. In December 2017, Sabina commenced the process under the Metal and Diamond Mines Effluent Regulation ("**MDMER**") related to operation of the tailings storage facility as contemplated in the IFS. Under Schedule 2 of MDMER, waterbodies frequented by fish must be approved and listed in the Regulations if a deleterious material is proposed to be placed in the waterbodies. The Company anticipates that the Schedule 2 process could be successfully completed in approximately 12-24 months following Environment and Climate Change Canada's completion of the Regulatory Impact Analysis Statement, which Sabina anticipates may be completed in Q2, 2019. As such, Sabina expects the Schedule 2 process to be completed well in advance of the initial deposition of tailings targeted for H2, 2022. Community Sustainability

Sabina is an active member of the Kitikmeot region with a regional office in Cambridge Bay, Nunavut (established in 2012). Sabina has also actively engaged and consulted local communities through Project planning activities and EA processes. Sabina strives to ensure engagement with all residents of the affected communities and will continue to advance its community engagement program during the EA and permitting process for the Project, and throughout the development and operation of the mine.

An Inuit Impact Benefit Agreement (IIBA) is required for the Project under the Nunavut Agreement as the Property is located on Inuit-Owned Lands. Where possible, Sabina plans to maximize local employment and contracting opportunities and is dedicated to working with community partners on training programs to prepare local residents for employment. Kitikmeot Inuit would be given the first opportunities for Project-related jobs. The total on-site workforce will be 607 people at Goose Site during the operations phase; this excludes drivers and contractors for haulage operations on the winter road. During the most active construction period from Year -2 to Year -1, the on-site workforce will average 202 workers and will peak at 280.

Update

The KIA, which represents the interests of Inuit beneficiaries in the region under the Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada signed on May 25, 1993 (the "**Nunavut Agreement**"), is the surface title holder of 104,278 square kilometres of Inuit owned lands in the Kitikmeot region, including the majority of the lands that comprise the Back River Project, and was a participant in the project's environmental assessment process.

On April 23, 2018, the Company jointly announced with the KIA completion of a definitive Framework Agreement (the "**FA**") on terms consistent with the binding term sheet announced on October 18, 2017. The FA, which provides the commercial leases authorizing mine and development and operations, is a comprehensive agreement which sets out rights and obligations with respect to surface land access on Inuit owned land and includes an IIBA and other obligations required by the Nunavut Agreement, including the following key provisions:

- A 20-year term;
- Surface access rights, including:
    - land use licenses to permit Sabina to conduct exploration work at the Back River Project;
    - advanced exploration leases permitting various advanced exploration and pre-production activities at the Back River Project; and

  - commercial leases authorizing the development of mines and related operations and closure activities at the Goose Property;

- Certain payments, including:

  - annual payments to KIA of $0.5 million until the year the Company makes a production decision for the Back River Project, following which the annual payments rise to $1.0 million ($0.5 million paid during the second quarter of 2018);

- Issuance to the KIA of 6.7 million Common Shares (issued during the second quarter of 2018 at a share price of $1.66 for total consideration of $11.1 million);

- Grant to the KIA of a 1% net smelter royalty on production at the Back River Project; and

- An initial investment of $4.0 million into regional wealth creation initiatives in the Kitikmeot (during the second quarter of 2018, the Company contributed $2.0 million to a deposit account for the benefit of future Kitikmeot community funding initiatives. The remaining $2.0 million would be funded upon the Company making a production decision for its Back River Project).

Capital and Operating Costs

Capital Cost Estimation

The initial capital cost estimate is $415 M, as summarized in Table 1.6. See Project Development Update at the end of this section for updated capital costs. Costs are expressed in Canadian dollars with no escalation (Q3-2015 dollars).

Table 1.6: Capital Cost Summary

Capital Cost	Pre-Production $M	Production and Closure Period $M	LOM $M
Mining	46	112	158
On-Site Development	15	1	17
Ore Crushing and Handling	16	0	16
Process Plant	55	0	55
On-Site Infrastructure (Goose)	68	15	83
Off-Site Infrastructure	25	40	65
Port Facility	26	2	28
Tailings	6	2	8
Indirects	66	0	66
EPCM	30	0	30
WRSA Costs	25	0	25
Contingency	37	13	50
Subtotal	**415**	**185**	**600**
Reclamation	0	64	64
Total Capital	**415**	**249**	**664**

Source: JDS 2015

Preparation of the capital cost estimate is based on the JDS philosophy that emphasizes accuracy over contingency and uses defined and proven project execution strategies. The estimates were developed using first principles, applying directly-related project experience, and the use of general industry factors. Almost all of the estimates used in this Project were obtained from engineers, contractors, and suppliers who have provided similar services to existing operations and have demonstrated success in executing the plans set forth in this study.

The initial capital estimates include all pre-production mining activities in Years -3, -2 and -1 and are based on Owner-performed mining. Mobile equipment is intended to be purchased as capital and the option of leases have not been considered in this estimate.

The initial capital estimate is based on the execution plans described in this study. Sunk costs and Owner's reserve were not considered in the initial capital estimate.

The sustaining capital estimate is based on required capital waste development, mining equipment acquisition and rebuilding, and mining infrastructure installations as defined by the mine plan.

Operating Cost Estimation

The average LOM unit operating cost is estimated at $114.58/t processed and is summarized in Table 1.7.

Table 1.7: Operating Cost Summary

Operating Cost†	Average $M/yr	LOM $M	$/t Processed
Mining*	46	539	43.64
Processing	39	459	37.16
Site Surface	12	137	11.08
Freight	5	55	4.42
G&A	19	226	18.28
Total Operating Costs	121	1,416	114.58

(†): Operating Costs include $47.3M of working capital claimed in the pre-production period and excludes pre-stripping costs.
(*): Average LOM open pit Mining Cost amounts to $3.35/t mined which includes a 10.5:1 strip ratio; average LOM underground Mining Cost amounts to $63.61/t mined.
Source: JDS 2015

The following list summarizes the key Project assumptions used to develop the operating cost estimate:

- Mining operations will be performed by the Owner using Owner-purchased equipment;
- All electrical power will be generated at site using diesel generators with a long-term delivered (to Port Facility) diesel price of $0.91/L for power generation, and $0.95/L for mobile equipment, yielding an estimated LOM power cost of $0.26/kWh;
- The process plant will process 3,000 t/d (~1.1 Mt/a) of ore;
- The mine will use a peak total workforce of approximately 607 people, including all contract labour; and

- A long-term diesel price of $2.40/gallon has been applied to the appropriate project operating costs. This price is closer to the long-term historical diesel price and considered more realistic for the duration of the operation. The indicator diesel price as of September 2015 was $1.42/gallon.

Project Execution and Development

The project execution plan and general project development schedule consider the seasonality of transporting freight. The procurement and staging of equipment, materials, and fuel at the respective east and west coast ports needs to take place at least 8-12 months before anticipated arrival at the Goose site. The Port Facility is planned to receive sealift materials in the summer open-water period of August and September. Materials would then be stored until the winter ice road is operational from between January and April. Fixed-wing aircraft landing at Goose Site will support construction and operations activities by delivering passengers and select bulk materials.

Project Execution Schedule

The Project execution schedule includes the following key milestones:

Engineering, environmental approvals, permitting:

- Feasibility Study completion — Q3/Year-5
- FEIS submission — Q4/Year-5
- Basic and detailed engineering — Q4/Year-5
- Project certification — Q2/Year-4
- Type A water licence — Q2/Year-3

Site preparation and pre-construction (Year 1 is first year of full production):

- Initial sealift, mobilization, long lead procurement — Q1-Q2/Year-3
- Construct facilities at Port Facility — Q3/Year-3 to Q4/Year-3
- Initial winter ice road from Port Facility to Goose — Q4/Year-3 to Q1/Year-2
- Install construction camp at Goose Site — Q1-Q2/Year-2
- Goose Site: construct first fuel tank — Q2/Year-2

Construction and commissioning at Goose Site:

- Commence open pit mining and TSF construction — Q2/Year-2
- Construct site infrastructure — Q1/Year-2 to Q4/Year-1
- Commission process plant — Q4/Year-1 to Q1/Year 1
- First gold — Q1/Year 1

Economic Analysis

An engineering economic model was developed to estimate the project value and investment return. Pre-tax estimates of project values were prepared for comparative purposes, and after-tax estimates were developed to better indicate the true investment value. Sensitivity

analyses reflecting variations in metal prices, grades, operating costs, and capital costs were performed to determine their relative importance as project value drivers.

This technical report contains forward-looking information resulting from projected mine production rates and resulting forecasted cash flows. The gold grades are based on sufficient sampling that is expected to be reasonably representative of the realized gold grades from actual mining operations.

The following factors could affect the results and cause actual results to differ materially from those presented in this economic analysis:

- Ability to obtain permits so that construction and operations can proceed as planned;
- Ability to secure major equipment and skilled labour; and
- Ability to achieve assumed mine production rates at the assumed grade.

Other economic factors include the following:

- Discount rate of 5% (sensitivities using other discount rates have been calculated for each scenario);
- Costs based on nominal 2015 dollar values;
- No application of inflation values;
- Values are presented on a 100% Ownership basis and do not include management fees or financing costs;
- Exclusion of all pre-development and sunk costs (i.e., exploration and resource definition costs, engineering field work and studies costs, environmental baseline study costs, etc.). Note: pre-development and sunk costs are used in tax calculations;
- Gold price of US$1,150/oz;
- Includes estimated third-party net smelter royalties in place at the time of the IFS. Does not include committed 1% KIA royalty as described below);
- US$:C$ exchange rate of 0.80;
- Northwest Territories and Nunavut Mineral Royalties (NTNMR) have been estimated and are included with income taxes. The Crown royalty is levied on a mine-by-mine basis and is equal to the lessor of 8% of the net value of mine output during a fiscal year, and an escalating rate from 0% to 14% on incremental levels of net value of the mine output during a fiscal year. NTNMR are deductible from income taxes;
- The Back River Mineral Resources considered in this study are grandfathered properties subject to royalties under the NTNMR;
- Federal tax rate of 15% and a NWT 12% rate were used to estimate future income taxes;

- Canadian Exploration Expense (CEE) and Canadian Development Expense (CDE) tax pools were used with appropriate opening balances to calculate income taxes; and

- Specific capital cost class Capital Cost Allowance (CCA) rates were applied and used to calculate the appropriate CCA the Company can claim during the entire life of the Project.

Pre-tax and after-tax financial performance is summarized in Table 1.8. Pre-tax results provide a point of comparison with similar projects and are not intended to represent a measure of absolute economic value.

Table 1.8: Summary of Economic Results

Category	Unit	Value
Net Revenues	$M	3,202
Operating Costs	$M	1,369
Cash Flow from Operations	$M	1,833
Capital Costs*	$M	664
Cash Cost‡	US$/oz	534
Cash Cost (Incl. Sustaining Capital)^{0}	US$/oz	598
Net Pre-Tax Cash Flow	$M	1,122
Pre-Tax $NPV_{5\%}$	$M	699
Pre-Tax IRR	%	28.2
Pre-Tax Payback	Years	2.9
Break-Even Pre-Tax Gold Price ($NPV_{5\%}$ = 0)	US$/oz	794
Total Taxes	$M	340
Net After-Tax $NPV_{5\%}$	$M	480
After-Tax IRR	%	24.2
After-Tax Payback	Years	2.9
Break-Even After-Tax Gold Price ($NPV_{5\%}$ = 0)	US$/oz	795

(*): Includes pre-production, sustaining, closure and reclamation capital costs

(‡): (Refining Costs + Insurance + Transport Costs + Third Party Royalties + Operating Costs) / Payable Au oz

(^{0}): (Refining Costs + Insurance + Transport Costs + Third Party Royalties + Operating Costs + Sustaining Capital Costs) / Payable Au oz

Source: JDS 2015

A sensitivity analysis was conducted on after-tax net present values ($NPV_{5\%}$) for individual parameters, including the gold price, foreign exchange rate, operating costs, and capital costs. The results are shown in Table 1.9. The Project proved to be most sensitive to changes in the US$:C$ exchange rate, gold price and head grade. The Project showed least sensitivity to operating and capital costs.

The Project was also evaluated using various discount rates to determine the effect on Project NPV. The Project NPV declines as the discount rate increases.

Table 1.9: After-Tax $NPV_{5\%}$ Sensitivity Results

Factor	After-Tax $NPV_{5\%}$ ($M)						
	-15%	-10%	-5%	100%	5%	10%	15%
Metal Price	250	328	404	480	555	631	706
F/X Rate	736	641	556	480	410	347	288
Head Grade	261	336	408	480	552	623	695
OPEX	572	542	511	480	449	418	387
CAPEX	564	536	508	480	452	425	397

Source: JDS 2015

Table 1.10: After-Tax IRR Sensitivity Results

Factor	After-Tax IRR						
	-15%	-10%	-5%	100%	5%	10%	15%
Metal Price	15.90%	18.90%	21.60%	24.20%	26.70%	29.10%	31.40%
F/X Rate	32.30%	29.40%	26.70%	24.20%	21.80%	19.60%	17.30%
Head Grade	16.30%	19.10%	21.70%	24.20%	26.60%	28.90%	31.10%
OPEX	27.10%	26.20%	25.20%	24.20%	23.20%	22.10%	21.10%
CAPEX	29.80%	27.80%	25.90%	24.20%	22.60%	21.10%	19.70%

Source: JDS 2015

Mine Closure

Progressive reclamation will occur throughout the operating life with final mine closure activities will take place immediately following operations and are expected to span six years followed by a post-closure monitoring period of approximately five years but as long as required. Closure was a key consideration in the design of the Project: progressive reclamation mitigates long-term risks and reduces overall costs. This can be achieved by using staff and equipment effectively during operations and avoiding the double-handling of waste rock.

Activities that will be initiated and/or completed during operations include the off-site backhaul of hazardous or recyclable materials and equipment, the capping of the TSF with waste rock, and the backfilling of open pits and underground workings as they become available.

The first two years of active closure after operations will involve the demolition and disposal of structures and equipment that will no longer be used. Open pits and underground mines will be allowed to flood while there will be some selective backfilling underground. The WRSAs and landfills will be covered with at least 5 m of NPAG and shaped to minimize erosion and maintenance. Roads, pads, and airstrips will be maintained as required, and the natural drainage will be restored as the infrastructure becomes obsolete.

Water management will continue to progress beyond the operational phases with the relocation of water treatment plants, pumps, and piping. As equipment and materials become obsolete, they will also be landfilled. Similarly, water diversion and retention structures will be breached

as active closure transitions into passive closure. Finally, the monitoring phase will ensure that all closure objectives are met.

Interpretation and Conclusions

Based on the findings of the IFS, it can be concluded that the Back River Gold Project will be economically viable under the base case financial parameters.

Recommendations

It is recommended that the project be advanced to construction through the normal process of permit acquisition, financing, detailed engineering and construction. Costs for engineering and construction are included in the capital cost of the study.

Project Development Update – 2018

Since the Company published its feasibility study in respect of Back River in 2015 (see National Instrument 43-101 ("**NI 43-101**") Technical Report entitled "Technical Report for the Initial Project Feasibility Study on the Back River Gold Property, Nunavut" dated October 6, 2015 on SEDAR at http://www.sedar.com) (the "**IFS**" or "**Feasibility Study**")), the Company has completed a series of value and detailed engineering programs with the primary objectives of investigating opportunities, setting key design criteria, improving the accuracy of the engineered and design elements, updating the project execution strategy (including procurement and contracting strategies), improving accuracy of the capital cost estimate, and revising and improving the overall execution schedule.

Sabina plans to manage all aspects of the Back River Project excluding the Processing Plant rather than enter into an engineering, procurement and construction management (an "**EPCM**") contract with a third party, as contemplated in the Feasibility Study.

Project Execution

Sabina will manage all aspects of the Back River Project scope using several project execution methods and contract structures to deliver the Back River Project.

The Processing Plant's detailed engineering, procurement, construction and commissioning support is planned to be a fixed-price turn-key contract commonly referred to as an "EPC" contract, rather than utilizing a unit-rates service provider contract with multiples of sub-contracts or "EPCM", as contemplated in the Feasibility Study. This strategy provides greater certainty over costs, schedule and design quality. Negotiation of the terms of this EPC contract is underway including process and schedule guarantees. Interim Procurement and Interim Services agreements are currently being negotiated with the CIMIC Group's mineral processing company, Sedgman Canada Limited, to advance select engineering and procurement works in support of defining an EPC contract scope, terms, and conditions. This will yield a fixed-price contract with greater certainty of execution outcomes.

Sabina is responsible for the balance of scope outside of the Processing Plant, and as such is developing and otherwise managing the overall execution schedule, cost estimates, engineering, procurement, construction management and construction.

Bulk earthworks and infrastructure construction are planned to be managed by the Sabina project development team using a unit-rates contract where scope and works are easily

quantified as demonstrated with the successful construction and commissioning of the Marine Laydown Area (the "**Port**") in 2018. The Port at Bathurst Inlet was successfully constructed using both fixed-price contracts and unit rates contracts managed directly by Sabina's project development team. In the case of mine development, these works are planned to be performed using Sabina employees supported with specialist contracts, for example, a drill and blast contract based on unit rates with productivity targets.

Infrastructure, Logistics and Procurement

The Port

During construction and operations, Sabina intends to mobilize equipment and supplies including fuel to the Back River Project using annual summer sealifts to the newly constructed Port at Bathurst Inlet. Equipment and supplies will be staged at the Port until the winter, when a Winter Ice Road ("**WIR**") will be constructed to move equipment across land to the proposed Goose Mine site.

At the start of 2018, there was no infrastructure at the Port at Bathurst Inlet other than a basic 10-person starter-camp left over from the 2017 geotechnical program.

Initiating development of the Port required the construction and operation of 1,500 metre ice airstrips at both the Port and Goose sites in early 2018. Approximately 100 flights of Hercules and similar aircraft delivered equipment, fuel, camps and supplies to these two project sites. On the ground, a Cat Train was run from Goose site to the Port to deliver equipment and supplies for initial construction and the establishment of the infrastructure at the Port. Construction commenced in March with camp establishment and quickly progressed to developing a quarry, drilling and blasting of bulk rock materials, road building and construction of large storage pads and barge landing pads in anticipation of the impending sealift deliveries in August and September.

The Port was built in four and a half months and includes a fully-functional 45-person all season camp, 730,000 liter fuel storage depot, desalination water plant, waste management infrastructure, satellite communications, power generation, heavy equipment roads, a barge offloading shore ramp, 60,000 square metres storage/laydown pads and a 1,200 metre all-season gravel airstrip capable of Dash 7-sized aircraft landings.

To construct the Port, the Company specified and procured everything from groceries to construction equipment. Specifically, the procurement scope for the Port included bulk fuel tanks, construction gensets, large mobile earthworks and construction equipment, vehicles, HDPE liners and geotextile, ammonium nitrate, fuel, drills (for construction and to be re-purposed for mining), and spare parts currently being stored the Port. Most of the procured items will eventually be deployed to the Goose site for construction and operations but also were used for the construction of the Port and interim operations thereof.

Logistics

With completion of the Port by early-August 2018, two sealifts to the Port were successfully completed in August and September 2018: one sailing comprised of three barges from Tuktoyaktuk, NT and the other, one ship from Valleyfield, QC.

In preparation for the next stage of logistics, several field reconnaissance programs were conducted to refine the design and path of the WIR. Currently, preparations are ongoing to

construct and operate the first WIR for transporting freight staged at the Port to Goose in Q1 2019.

Supporting Infrastructure Development

In addition to the geophysical, satellite, and visual reconnaissance completed on the WIR, numerous other field investigations were completed to inform the setting of design basis and the engineering of other infrastructure including plant facilities. These included geotechnical drilling (surficial and underground) and geochemical, hydrological and hydrogeological testing at Goose and at the Port.

Construction has progressed at the Goose site by making use of the existing exploration infrastructure and resources. A focused effort was started in Q3 2018 to maintain and upgrade the existing earthworks and construction equipment in advance of construction planned for 2019 and onward. Additionally, earthworks commenced, including quarry development, access roads installation and stream crossing construction.

Procurement for the Planned Goose Mine and Plant Site

In 2018, procurement for the planned Goose Mine site focused on supplying pre-engineered buildings, concrete bulk materials, concrete construction equipment, upgrades to the existing Goose Exploration Camp, drills and construction haul trucks, construction mobile equipment and temporary construction trailers.

Processing

The metallurgical sampling and test programs undertaken since the Feasibility Study through 2018 have produced all the inputs required to design and specify the process for detailed engineering. Whole ore leach ("**WOL**") was contemplated in the Feasibility Study, however the process plant design was advanced significantly based on flotation. Based on the metallurgical testing, a cost and risk benefit trade-off study was completed which supported the selection of WOL over flotation.

The plant has been re-engineered using the applicable optimizations from flotation but based on WOL. Engineering has effectively frozen the process flowsheet and technical equipment data sheets for procurement use. The Company is in the advanced stages of converting the EPCM estimate used in basic engineering to a fixed-price EPC bid for the plant build with the contractor providing cost, performance and schedule guarantees.

The Interim Procurement and Interim Services Agreements with Sedgman Canada Limited are advancing engineering and procurement work beyond basic engineering and before the execution of the planned EPC contract. These service agreements will further define the EPC contract scope, terms and conditions, schedule and costs to reduce overall risk of the Back River Project execution.

Capital Expenditure Update

The Feasibility Study published in October 2015 (3KFS) reported capital expenditures of $414.9 million.

Since 2015, several changes were made to reduce overall project risk and update the earlier feasibility study assumptions to the current year. Based on additional detailed engineering

completed since the Feasibility Study was completed in 2015, the revised capital expenditure estimate has been updated to reflect:

- a fixed-price estimate of the Plant under an EPC-delivery strategy;
- additional engineering;
- a more-developed project execution and contracting plan;
- a better defined WOL process;
- escalation from 2015 dollars (inflation); and
- improved cost estimates of fuel, earthworks, mobile equipment, cargo transport and other costs to be borne by Sabina, including, but not limited to: labour, project camp costs, freight and logistics, consultants, head office overhead, insurances and fees and administration.

These changes have increased the capital expenditure estimate from the feasibility study estimate by approximately 15% to a revised estimate of $475 million. Of this, approximately $55 million was spent in 2018 on Port construction, pre-development earthworks, the purchase of a significant amount of heavy duty construction equipment, spares and supplies, and sealift of this equipment and materials to the Port during August and September 2018.

Project Financing

With regard to project financing, the Company has advanced negotiations for a debt package for the Back River Project and believes that the debt component could be completed on favourable terms. Equity is not currently available on acceptable terms as it would result in unacceptable dilution of the value of the Back River Project to Sabina's shareholders. Without equity funding in place, the Company will continue to move forward within its existing financial resources and first gold production will be delayed to Q4 2022. Ultimately, the Company believes that the de-risking and other activities planned for 2019 will reduce execution risk which will result in a better financing package for the Back River Project.

Qualified Person

Jeff Eng, P.Eng, Director of Engineering for the Company, is the Qualified Person as defined in NI 43-101 pertaining to the development-related matters disclosed in this AIF. Mr. Eng has approved of the written disclosure set out in this AIF.

Exploration Update

The following gives a brief historical summary of exploration on the Back River Project with particular details of exploration carried out by Sabina subsequent to the date of the IFS Report. All scientific and technical disclosure information in this section of the AIF has been approved by James Maxwell, P.Geo, Exploration Manager of the Company, a Qualified Person (as defined by National Instrument 43-101).

Previous Sabina Exploration

On June 9, 2009, Sabina acquired the Back River Property from DPM. After the acquisition, exploration was initially confined to the Goose Site and focused on finding new gold mineralization away from the existing Goose Main deposit. All of Sabina's exploration work on the Back River Property from 2009-2014 is briefly summarized in Table 9.1.

Table 9.1: Summary of Sabina's Previous Exploration Work

Year	Location	Exploration Work
2009	Goose Site	Mapping, magnetics, IP and horizontal-loop electromagnetic (HLEM)
2010	Goose Site	Geological mapping and sampling, magnetometer and HLEM ground survey, mineralogical study
2011	Goose Site	Geological mapping and sampling, time-domain electromagnetic (TDEM) and IP ground survey, mineralogical study, TDEM borehole surveys
	George Site	Magnetometer and HLEM ground survey
2012	Goose & George	Grab sample program, metamorphic gold genesis study
	Goose Site	Till orientation study, mafic intrusion geochemistry and structural study, regional mapping*
2013	George Site	Geological mapping, metamorphic grade study, geochemical sampling
	Boot & Boulder	Geological mapping (1:1000 and 1:5000), geochemical sampling
	Regional	Regional – scale work off Property to provide wider geological context for the deposits
2014	Goose Site	IPower 3D® geophysical survey, felsic dyke geochemical characterization study
	George Site	Surface mapping, follow up metamorphic study

Note: *Regional mapping was conducted at the Goose Site and surrounding areas.

Source: AMC Mining Consultants (Canada) Ltd., 2015

Exploration in 2015

In 2015, Sabina carried out two studies at the Goose Site – a ground magnetics survey and a mapping and sampling program. At the Boulder Prospect, a ground magnetics survey was completed. Sabina also carried out a geochemistry data collection program from drill core pulp material which covered the Goose Site, George Site and the Boulder Prospect.

During the 2015 geotechnical drilling program, Sabina completed two shallow exploration drill holes at targets Hivogani and Nalaot at the Goose property. Results generated continue to demonstrate project-wide gold endowment and the potential for greenfield resource growth both within the project's conventional iron formation host and the broader sediment package that, to date, has seen little work.

The Hivogani target is located approximately 1,400 m southwest of the Goose Main deposit and lies outside of the main iron formation which is the host rock to the majority of Back River's current resources. One drill hole, totaling 140 m, tested part of an anomalous Induced Polarization study ("**IP**") response, which measures approximately 500 m by 200 m.

Preliminary exploration assay results also identified a new near-surface high priority banded iron formation drill target at the Goose property. Rock sample assays at the now established Kogoyok target are encouraging, highlighted by the discovery of a new series of mineralized occurrences where grab samples from outcrop have returned gold values including 33.86g/t, 28.10g/t and 18.23g/t. Further gold assays associated with the Kogoyok target partially define approximately 650 meters of significantly gold-mineralized iron formation stratigraphy. For more information see the Company's news release dated October 13, 2015.

Exploration in 2016

The 2016 exploration program at Back River, consisting of approximately 2,700 meters of drilling commenced on March 15, 2016 and was completed on April 22, 2016. The program focussed on testing the sub-surface size, continuity, and shape of near-surface mineralization at the Kogoyok prospect which has had no previous drilling (see the Company's news release dated October 13, 2015). Drill testing also occurred at the Hivogani and Convergence target areas, two drill targets with the potential for near-surface gold mineralization in the vicinity of proposed infrastructure on the Back River Project. In addition, focused fieldwork programs were completed in June and August to advance numerous target areas at the Goose, George, and Boulder properties, while further identifying new exploration opportunities.

The Kogoyok prospect was discovered and partially characterized through 2015 field work. New high-grade mineralization discoveries from outcrop grab samples (up to 33.86g/t Au grab sample) occur near the convergence of a previously untested segment of iron formation stratigraphy with gold-bearing felsic intrusions. The 2016 exploration drilling at Kogoyok consisted of 10 holes totalling 1,474 meters, wherein numerous mineralized intercepts were encountered over a broad area at vertical intersection depths from 20 to 130 meters (see the Company's news release dated June 9, 2016). A large zone of gold mineralization was identified within the Kogoyok target, up to 10 meters in width over 250 meters strike length, coincident with visible gold identified within several units of the stratigraphy. Results from Kogoyok included drillhole16GSE492 (2.62 grams per tonne ("g/t") over 2.30 meters) and drillhole16GSE494 (2.37g/t over 1.90 meters).

At Convergence, a horizontal loop electromagnetic ("HLEM") geophysical survey grid covering approximately 12 line kilometres identified a total of 8 new anomalies that are coincident with Back River iron formation stratigraphy. Drill testing of one of the anomalies in hole 16GSE500 returned a new discovery with an intercept of 3.84 g/t over 3.70 meters including visible gold noted within multiple samples (see the Company's new release dated June 9, 2016). Follow up drilling of an additional three holes in this zone continued to return significant gold assays analogous to Back River style mineralization. The Company is encouraged by the newly discovered gold zone with an additional five anomalies within the survey grid area remaining for exploration follow up.

At the Hivogani zone, two drill holes spaced 500 meters apart and totaling 397 meters were completed within a broadly defined 2 km target area characterized by anomalous gold values from rock and till sampling and moderate to strong IP chargeability trends. Results of the recent drilling confirmed the correlation of broad areas of gold mineralization with IP chargeability anomalies, areas of increased quartz veining, alteration, and disseminated sulphide mineralization, as first reported at Hivogani in 2015. Drill hole 16GSE509 intersected 1.0 meter of 2.68 g/t Au in a zone of increased veining and alteration (see the Company's news release dated June 9, 2016). Sabina is encouraged by the new deposit model of clastic sediment-hosted gold within Back River stratigraphy and continues to actively explore the concept on a broad scale.

In addition to the drilling program, a focused summer field work program was completed in June and August, 2016. This work consisted largely of mapping, rock and till sampling and focussed on the advancement of several priority target areas and discovery of new target concepts at the Goose, Boulder and George properties. Geologic models at select existing drill targets at Goose and George were improved and several new till anomalies with values anomalous for arsenic and gold were delineated and highlighted for future follow up.

Exploration in 2017

During the year the Company completed a phased exploration program on the Back River Project. Initially planned as a two phase 7,000 meter drill program at the Goose property, positive results from the spring campaign during Q2, 2017 resulted in an expanded second phase to the drill program. In total the Company completed 12,603 meters of drilling over 22 holes with significant results, including successfully demonstrating the potential for growth of the existing deposits and discovery of a new significant mineralization target, the DIF horizon.

In 2017, priority drill targets were selected based on their potential to enhance project economics by adding or demonstrating potential additional mine life in the footprint of the proposed mine on the Goose property. These targets include the high-grade Vault zone at Umwelt underground, a significant step out along potential Llama underground, step out drilling at Echo, and follow up drilling of the GNS/Convergence trend and the Kogoyok target.

Vault Zone – Umwelt

During the spring program, drill testing commenced with one hole targeting the Vault zone at approximately 650 metres vertical depth where an interpreted high-grade zone occurs at the lower limits of the current Umwelt reserves. This interpreted high grade zone is partly characterized by historic drill hole 12GSE217, which returned 51.93 g/t gold over 16.1 metres including 117.31 g/t gold over 2 metres and 105.2 g/t over 1 metre, drill hole 11GSE106 which returned 10.91 g/t gold over 29.85 metres including 23.46 g/t gold over 9 meters and 44.22 g/t gold over 0.8 meters and drill hole 11GSE075 which returned 13.43 g/t gold over 24.40 metres including 34.4 g/t gold over 8.25 meters and 72.8 g/t over 3.0 meters.

Drill hole 17GSE511B targeted the expansion of this zone by stepping down dip outside the current reserves and mine plan. The results of this hole returned 16.86 g/t gold over 13.5 m from 734.00 meters to 747.5 meters, including 27.11 g/t gold over 7.95 meters from 736.75 meters to 744.70 meters. Significant sulphide mineralization exists both above and below the targeted interval including 12.3 g/t gold over 1.05 meters within lower clastic sediments from 755.5 meters to 756.55 meters.

Also during the summer drilling program, five drill holes totaling 4,195 metres were completed to continue testing robust mineralization extensions of the Vault zone. Drill hole 17GSE517 confirmed mineralization continuity in the center of the Vault zone, positioned approximately 45 meters up plunge from 12GSE217, intersecting favourable mineralization returning an intercept of 5.99 g/t gold over 33.25 meters including 26.91 g/t gold over 2.20 meters and 18.14 g/t gold over 5.40 meters. Additionally, drill hole 17GSE522B which returned 8.65 g/t gold over 31.90 meters including 91.97 g/t gold over 1.15 meters and 13.12 g/t gold over 8.90 meters has successfully expanded the down plunge length of the high grade targeted zone to greater than 45 meters south of the 2012 drill hole 12GSE217. Drill hole 17GSE523B targeted approximately 150 meters up plunge from drill hole 17GSE517 further demonstrating the continuity up plunge of the high grade corridor. This drill hole targeted the intersection of the felsic dyke with the host lower iron formation returning 9.0g/t gold over 28.7 meters. Intercepts of both drill hole 17GSE517, 17GSE522B and drill hole 17GSE523B were defined by strong alteration and mineralization systems within a favourable Back River geological setting that is conventional to resources hosted elsewhere on the project. Alteration consists of strong silicification and amphibole and chlorite development within oxide iron formation. Mineralization consists of arsenopyrite, pyrrhotite and localized visible gold within the highly altered and veined zones.

Two other drill holes, 17GSE520 and 17GSE525 tested the eastern margins of the zone where 17GSE520 intercepted no significant mineralization with the target lower iron formation.

Llama Extension

During the spring drilling program, two drill holes totaling approximately 1,400 metres were completed to test the down plunge extension potential of the Llama mineral system to a vertical depth of approximately 600 metres. Llama underground currently has indicated resources of 211,000 ounces grading 8.72 g/t gold (which are not included in the current mineral reserves). The objective of these two holes was to take an aggressive step down plunge to test 300 metres from the current gold resources and 200 metres from the deepest drill hole 12GSE239 which intersected 6.90 g/t gold over 8.0 metres including 15.71 g/t gold over 2.0 meters. Success from drilling within the area would demonstrate potential for significant resource growth beyond the existing Llama reserves and resources. Drill hole 17GSE512 was designed as a positioning hole on the structure and was successful in intersecting both the east and west limbs of the Llama syncline and a significant portion of upper iron formation stratigraphy. Significant assays from this drilling included 6.30 g/t gold over 2.65 meters in west limb lower iron formation. Drill hole 17GSE513 which was designed as a 60-meter undercut on the same cross section as 17GSE512 successfully targeted a significant portion of lower iron formation stratigraphy. Over 100 meters of lower iron formation was intersected in this drill hole, with numerous mineralized sections containing pyrrhotite, arsenopyrite and visible gold. Assays returning gold values that include 6.52 g/t gold over 8.30 meters from 618.90 meters to 627.20 meters. Present within the large iron formation were two felsic dykes, lithologies which are typically associated with gold mineralization in the Goose area deposits. In addition, a previously unknown near surface, low grade zone of iron formation with alteration, mineralization and quartz veins in clastic sediments was intersected from 69 m to 109.85 meters.

During the summer drilling program, four drill holes totaling 2,425 metres were completed that consisted of further aggressive step out drilling that focused on the extension of the Llama deposit in the down plunge direction. Drill hole 17GSE516B intersected 9.48 g/t gold over 38.55 meters including 14.44 g/t gold over 21.25 meters and 52.83 g/t over 1.0 meter within a strongly altered and mineralized lower iron formation package that is part of the continuation of the highly prospective, mineralized, Llama structure. This intercept is approximately 160 meters down plunge from drill hole 17GSE513. Drill hole 17GSE524, returned 6.46g/t Au over 6.35m and 8.35 g/t Au over 2.75m, successfully extending the mineralized structure 525m down plunge of the current mineral resource and 55m beyond the previously discussed drill hole 17GSE516B. This intercept projects the structure parallel to the area vertically below the Umwelt deposit and remains as an exceptional exploration environment. The Llama mineralized zone has now been intersected at approximately 737 meters vertical depth and remains open. This step out represents a significant increase in sulphide mineralization along the structure, is open in all directions and demonstrates that the Llama gold structure is robust for a continued distance along strike of over 1,650 meters from surface to a vertical depth of 730 meters. Further drilling is proposed to test this new zone, in both the up and down plunge directions.

The following are the assay results from the 2017 drill campaign at the Back River Project:

Hole	Area	Azimuth	Dip	Easting	Northing	Depth	From (m)	To (m)	Length (m)	Au (g/t)
17GSE511	UM	215	-75	430749	7270541	176				
17GSE511B	UM	214	-73	430748	7270541	806	728.00	729.00	1.00	3.01
							734.00	747.50	13.50	16.86
including							736.75	744.70	7.95	27.11

Hole	Area	Azimuth	Dip	Easting	Northing	Depth	From (m)	To (m)	Length (m)	Au (g/t)
							751.60	752.80	1.20	2.07
							755.50	756.55	1.05	12.30
17GSE512	LL	231	-67	429644	7271516	638	457.30	458.30	1.00	1.25
							556.40	557.00	0.60	6.90
							584.60	587.10	2.50	1.40
							599.00	608.00	9.00	2.96
including							603.55	606.20	2.65	6.30
17GSE513	LL	230	-69	429666	7271537	719	98.75	101.00	2.25	1.84
							104.25	105.05	0.80	1.56
							107.00	107.75	0.75	1.34
							577.55	584.25	6.70	1.11
							589.50	590.55	1.05	2.06
							602.90	604.00	1.10	2.99
							606.30	612.50	6.20	2.05
							615.20	617.25	2.05	1.35
							618.90	627.20	8.30	6.52
							633.80	635.25	1.45	5.27
							640.60	645.20	4.60	1.45
							649.60	651.55	1.95	1.20
17GSE514	LL	231	-56	429739	7271499	8				
17GSE514B	LL	231	-56	429739	7271499	161				
17GSE515	CON	278	-60	432402	7269789	227				
17GSE516	LL	225	-70	429801	7271428	137				
17GSE516B	LL	225	-69	429791	7271437	737	165.70	166.75	1.05	1.50
							178.30	179.20	0.90	1.06
							461.80	462.25	0.45	4.61
							619.60	620.90	1.30	1.05
							622.90	625.10	2.20	1.14
							653.75	654.70	0.95	1.40
							658.60	659.70	1.10	1.31
							667.40	705.95	38.55	9.49
including							675.75	697.00	21.25	14.44
including							693.05	694.05	1.00	52.83
							720.75	722.25	1.50	1.74
17GSE517	UM	216	-73	430748	7270472	791	645.90	646.80	0.90	1.02
							731.65	764.90	33.25	5.99
including							737.55	739.75	2.20	26.91
including							749.90	755.30	5.40	18.14
17GSE518	ECHO	290	70	433166	7268988	548	485.00	486.45	1.45	4.41
17GSE519	Kog	183	-52	431182	7269096	269	224.90	225.70	0.80	1.56
							228.15	229.30	1.15	1.45
							242.00	242.75	0.75	1.62
17GSE520	UM	215	-73	430738	7270577	791	651.95	653.00	1.05	2.09
							672.35	673.70	1.35	2.48
17GSE521	LL	223	-70	429847	7271379	797	207.00	208.13	1.13	98.31
							221.84	224.45	2.61	3.88
17GSE522	UM	213	-72	430828	7270463	242				
17GSE522B	UM	216	-72	430860	7270487	863	612.15	615.85	3.70	5.27
including							614.70	615.85	1.15	14.94
							633.05	633.95	0.90	4.05
							795.10	827.00	31.90	8.65

Hole	Area	Azimuth	Dip	Easting	Northing	Depth	From (m)	To (m)	Length (m)	Au (g/t)
including							795.10	796.25	1.15	91.97
including							806.75	815.65	8.90	13.12
17GSE523	UM	214	-73	430573	7270560	266				
17GSE523B	UM	222	-70	430671	7270575	740	636.65	637.65	1.00	10.99
							653.05	681.75	28.70	9.00
including							657.40	658.00	0.60	77.23
and							671.10	677.00	5.90	20.16
							686.35	688.10	1.75	5.73
17GSE524	LL	217	-72	429770	7271350	752	66.40	66.95	0.55	2.40
							294.65	295.70	1.05	1.07
							636.30	636.90	0.60	9.53
							663.55	669.90	6.35	6.46
							678.05	680.80	2.75	8.35
17GSE525	UM	214	-70	430850	7270580	1010	665.30	666.45	1.15	2.34
							721.60	723.00	1.40	1.79
							805.85	807.85	2.00	1.14
							810.00	811.00	1.00	1.18
							816.40	817.00	0.60	11.67
17GSE526	UM	224	-51	430051	7271237	602	444.95	446.20	1.25	3.14
17GSE527	Kog	179	-58	431269	7269128	419				
17GSE528	UM	218	-67	429911	7271144	310	231.40	232.40	1.00	1.21
							239.00	240.15	1.15	2.59
							366.40	367.15	0.75	1.37
							470.00	472.05	2.05	23.20
including							470.00	470.95	0.95	48.65
17GSE529	GNS	42	-60	431490	7269560	344	313.45	320.45	7.00	1.38

All drill core samples selected within the exploration program are subject to a company standard of internal quality control and quality assurance programs which include the insertion of certified reference materials, blank materials and duplicates analysis. All samples are sent to SGS Canada Inc. located in Burnaby, British Columbia where they are processed for gold analysis by 50 gram fire assay with finish by a combination of atomic absorption and gravimetric methods. additionally, analysis by screen metallic processes is performed on select samples.

Exploration in 2018

The 2018 exploration program at the Back River Project completed approximately 22,500 metres of drilling in two drill programs, with the first 6,000 metres completed during the spring drill program from April to May and approximately 16,500 metres of drilling in 30 drill holes completed in a summer drill campaign from July through to early October. Additional exploration field work consisting of geologic mapping and rock and till sampling was completed at the Goose and Boulder properties during the summer field season.

At the Goose Property, drill testing prioritized targets with the potential to extend the current mine plan or enhance project economics in and around the footprint of existing mineral resources. Two targets at Goose were the focus of the majority of drilling: the Llama Extension target with up-plunge and down-plunge step outs and the newly discovered Nuvuyak target where drilling was focused on expanding the new high grade zone discovered in drill hole 18GSE545 which returned 11.58 g/t over 39.50 metres.

In addition to the above focus, four drill holes tested areas peripheral to the Umwelt Vault high grade zone, two drill holes tested potential for deeper mineral extensions to the Echo deposit, and four drill holes tested various exploration targets. Outside of the Goose Property, four drill holes targeted an extensive greenfield area at the nearby Boulder Property (located approximately 20 km north of the Goose camp). This first pass drilling tested portions of a 1.4 km long folded iron formation sequence where till and rock sampling identified elevated gold and arsenic values.

Significant results from drilling and a summary description of the geologic field programs are provided below.

Llama Extension Drilling, Goose Property

Drilling in the 2018 spring program included three holes totaling 2,220 metres to test the expansion potential surrounding the high grade intercepts reported in 2017 where mineralization was identified well down plunge (approximately 500 metres) of current deposit resources. Significant results include the following:

- Drill hole 18GSE530 returned 15.67 g/t gold over 23.25 metres, including 32.56 g/t gold over 10.30 metres.
- Drill hole 18GSE533 returned 15.43 g/t gold over 3.15 metres, including 34.48 g/t gold over 1.25 metres.
- Drill hole 18GSE535 returned 28.95 g/t gold over 5.65 metres, including 47.51 g/t gold over 2.90 metres.

Drilling in the 2018 summer program consisted of six holes totaling 4,113 metres, with five holes testing the Llama gold structure up-plunge extension from the previous 2017 and 2018 drilling. Significant results include the following:

- Drill hole 18GSE548B returned 17.96 g/t gold over 4.60 metres.
- Drill hole 18GSE547 returned 6.20 g/t gold over 13.80 metres.

One drill hole, 18GSE546, tested the Llama Extension mineralization in the down-plunge direction, returned 11.43 g/t gold over 5.48 metres and demonstrates that the gold structure remains open at depth.

Drill targeting has added geologic confidence to a > 500 metre extent of Back River style mineralization that sits within the prospective Llama deposit stratigraphy and associated gold structure below the currently defined underground resource. This high-grade zone, which is not part of the current development plan, remains open in all directions and holds significant potential for resource expansion.

Nuvuyak Target Drilling, Goose Property

First pass drilling at the Nuvuyak target during the 2018 spring program included two holes totaling 1,582 metres, whereby Sabina confirmed the presence of positive exploration elements including stratigraphic and structural markers with associated significant gold values of up to 9.50 g/t.

Follow-up drill testing in the 2018 summer program (12 drill holes totaling 9,145 metres) led to the discovery in drill hole 18GSE545 of strong zones of alteration and mineralization within a tightly folded iron formation anticlinal structure. Results included: 11.58 g/t gold over 39.50

metres, including 48.73 g/t gold over 3.15 metres and 52.12 g/t gold over 2.45 metres. Additionally, drill hole 18GSE558 returned values of 16.39 g/t Au over 13.20 metres, 7.78 g/t Au over 12.40 metres and 13.32 g/t Au over 5.10 metres over relatively tightly spaced intervals within the iron formation anticline structure in an up-plunge direction from the discovery drill hole. A strong down plunge extension of approximately 50 m is confirmed by new results (hole 18GSE559 returning 8.17 g/t over 13.00 m and drill hole wedge cut 18GSE559W1 returning 12.41 g/t over 8.70 m).

Hole 18GSE559 intersected 50 m down plunge of the discovery hole 18GSE545. This hole, was used as a parent hole for a subsequent wedge cut (hole 18GSE559W1) which started at a depth of 435 m down hole 18GSE559. This hole also intersected mineralized iron formation 80 m up dip of the parent hole along the same section within a portion of the anticline hinge.

With the conclusion of the summer 2018 drill program, the Nuvuyak target has been tested over a total target length of approximately 200 meters along strike. The target remains open and untested in all directions with strong geologic control shown through current drilling intersections.

The Nuvuyak gold zone discovery is centered approximately 850 metres along strike to the west of the Goose Main deposit and approximately 1,000 metres down plunge. The mineralization is hosted within a polyphase folded sequence of the Back River lower iron formation and coincident gold structures that are interpreted as being a significant component of the major mineralizing horizon(s) at the Goose Property. Drilling during 2018 provided further evidence that the felsic dyke at Nuvuyak and Hook is a potential continuation of the felsic dyke which intrudes parallel to the axial plane of the fold at Goose Main. Felsic dykes at Back River are interpreted to be spatially coincident with the majority of major mineralizing structures. In addition, the geometry of the antiform at Nuvuyak is very similar to that of Goose Main, with the folds being nearly isoclinal with a significant structural thickening in the fold nose. Mineralization consists of arsenopyrite, pyrrhotite and abundant visible gold over broad intercepts that are associated with quartz veining and moderate to strong amphibole and chlorite alteration. Early interpretations recognize the potential for a large-scale mineral trend extending from Goose Main to Umwelt Vault that may transect large portions of the central Goose Property, much of which is largely underexplored.

Hook Target and Nuvuyak Gold Structure Expansion

Additional 2018 drilling up plunge from the Nuvuyak target has intersected strong mineralization at an untested portion of an area known as the Hook target. This target area is a possible transitional gold zone that is aligned with the principle gold structure associated with both the Nuvuyak zone and the Goose Main deposit. Results from the Hook target in drill hole 18GSE558 returned 9.48g/t over 9.10 m and 7.44g/t over 6.40 m. These results point towards potential for discovery of a shallower new mineral zone encompassing approximately 400-500 m of stratigraphy up plunge from the Nuvuyak target toward the current Goose Main resource.

Approximately 500 m west of the Nuvuyak target, two shallow drill holes were drilled to gather key stratigraphic positioning information and to trace the Nuvuyak – Goose Main gold structure. These drill holes successfully encountered many of the key exploration elements required for expanding the interpreted extents of this large-scale gold trend. Holes 18GSE560 and 18GSE561 both intersected a felsic dyke unit spatially associated with the known zones of mineralization at the Llama, Umwelt, and Goose Main deposits. The continuity of these felsic dykes and related structures through the Goose Main, Hook and Nuvuyak areas indicate a

potential for an emerging large-scale mineralization trend extending from the Goose Main deposit to west of the Nuvuyak zone. These two drill holes also successfully identified an antiformal younging reversal within the upper sediment lithologies that is interpreted to be coincident with the lower iron formation stratigraphic host antiform located vertically below.

Umwelt Vault Zone Drilling, Goose Property

Drill testing of the Vault zone during 2017 continued to highlight the potential for significant widths of higher grade mineralization along a central corridor with strike potential of over 300 metres. Highlights from drilling in 2017 included drill hole 17GSE523B which returned 9.00 g/t gold over 28.70 metres.

Follow-up drilling at Vault continued in the 2018 spring program with two holes totaling 1,400 metres, with the following significant results:

- Drill hole 18GSE532 returned 4.93 g/t gold over 23.90 metres, including 8.38 g/t gold over 11.45 metres.
- Drill hole 18GSE534 returned 5.24 g/t gold over 17.40 metres.

Drilling of two drill holes in the subsequent 2018 summer program with 1,402 metres targeted high grade extensional opportunities to the west and the south of the main Vault zone.

Drill hole 18GSE551 which returned 6.26 g/t Au over 9.25 m including 13.50 g/t Au over 3.00 m targeted extensional opportunities, in an area of possibly lesser grade up plunge and to the northwest of the Vault zone. The results of this drill hole are significant in that they highlight the potential for improvements in resource grade in certain areas outside of the Vault zone in the Umwelt underground.

Drill hole 18GSE543 tested the south west limit of the high-grade vault zone intersecting values of 4.51 g/t over 7.10 m.

Sabina will opportunistically continue to explore resource optimization opportunities at the Umwelt underground in future exploration programs.

Other Drilling Targets

Drill targeting at the Goose Property also included two drill holes 18GSE550 and 18GSE554 for a total of 1,183 metres, which tested for possible extensions approximately 150 metres below the current Echo resource. Drill Hole 18GSE550 retuned 3.54 b/t over one metre while drill hole 18GSE554 returned 1.35g/t over 1.50 metres.

Drill hole 18GSE536 was completed at a depth of 440 metres to test the Deep Iron Formation ("**DIF**") stratigraphy beneath the north end of the Llama deposit and returned a wide 17.15 metres of 1.38 g/t. Drill hole 18GSE538 was completed to a depth of 221 metres to test the iron formation on the west side of the Goose Property with no significant values reported. Drill hole 18GSE539 was completed to a depth of 170 metres to test for mineralization at the south-east end of the Goose Main deposit and returned 13.95 g/t over 1.10 metres. Drill hole 18GSE552, was completed to a depth of 347 metres, to test the DIF stratigraphy beneath the Umwelt deposit, and returned 4.04 g/t over 2.75 meters.

At the Boulder Property, one of five properties within the 80 kilometre iron formation gold trend at the Back River Project, and located approximately 15 km north of the Llama deposit, geologic

mapping, rock and till sampling and the drilling of four, widely spread, shallow exploratory drill holes was carried out as a first pass assessment of a 1.5 km long largely unexplored extent of prospective iron formation, collectively known as the Vega target. At the Vega target a strong gold expression was returned from drill hole 18BRP046 that targeted an interpreted up-ice source of anomalous geochemical till samples in a shallow iron formation limb setting. Results of 2.41 g/t Au over 7.90 metres including 6.35 g/t Au over one metre were returned from a pyrrhotite and arsenopyrite bearing quartz-flooded zone within chlorite altered oxide iron formation from 134.80 metres 142.70 metres.

These results are encouraging as they highlight a number of key elements proven necessary for vectoring of robust mineral zones at Goose; namely, a strongly anomalous gold signature associated with alteration and mineralization in a well-developed and folded oxide iron formation stratigraphy.

Drill hole 18BRP049, targeted as a 200 metres undercut to 18BRP046, similarly intersected approximately 100 metres of continuous oxide and silicate iron formation with zones of veining and quartz flooding associated with arsenopyrite and pyrrhotite mineralization and a limited anomalous gold signature with values up to 1.17g/t Au over 0.65 meters.

Drill hole 18BRP047 tested a magnetic anomaly, interpreted to be a tightly folded iron formation, approximately 450 metres north of 18BRP046 and intersected two folds of iron formation totalling approximately 60 metres with anomalous gold intercepts of 1.63 g/t Au over one metre and 1.55 g/t Au over 1.37 metres.

The 2018 drill and mapping support the interpretation that the magnetic anomaly at the Vega target is an isoclinal syncline extending several hundred metres vertically below surface. Sabina is encouraged by the geologic setting and the associated gold and alteration signatures of the Vega and Humpback target areas and believe that the area shows strong promise for discovery. A follow up program of drilling and field work is being planned for 2019.

Field Exploration

Sabina controls a series of highly prospective exploration properties over an area of approximately 80 km at the Back River Project that are believed to have district scale synergies for future development. Field exploration mapping, till geochemistry and geochronology programs were completed during July to September 2018 to advance both the Goose Property and regional targeting initiatives. Field mapping and prospecting focused on the Boulder and Goose properties with additional time spent on the George and Boot claims. As part of the till sampling program, a quaternary geologist was contracted to produce a surficial map and to advise on project specific sampling protocol. In total 65 rock samples and 297 till samples were taken over the 2018 summer program with a major focus on further exploration targeting at the Boulder Property. A geochronological program was initiated and includes four samples for Re-Os dating of the arsenopyrite mineralization and nine samples for U-Pb zircon dating of the intrusives and meta-sedimentary units. Results of this work will be incorporated into ongoing geologic synthesis of the Back River Project area and assessed in exploration targeting for future programs. The following are the assay results from the 2018 drill campaign at the Back River Project:

Hole Id	Area	Azimuth, Dip	Easting UTM	Northing UTM	Depth	From (m)	To (m)	Length (m)	Au (g/t)	Au (g/t) Capped
18GSE530	LL	226, -63	429798	7271477	770.6	471.6	472.65	1.05	1.79	n/a
						616.50	617.95	1.45	4.86	n/a
						680.60	684.60	4.00	1.02	n/a
						693.55	716.80	23.25	16.32	15.67**
incl.						700.10	710.40	10.30	34.02	32.56**
incl.						704.30	705.25	0.95	115.80	100.00**
incl.						707.05	708.25	1.20	97.65	n/a
18GSE531	NUV	41, -65	432860	7269404	776	NSV				
18GSE532	UM	226, -67	430574	7270607	686	547	548.15	1.15	3.07	n/a
						597.30	621.20	23.90	6.37	4.93*
incl.						608.90	620.35	11.45	11.40	8.38*
and						609.77	610.44	0.67	131.67	80.00*
						646.60	647.50	0.90	1.87	n/a
18GSE533	LL	225, -64	429782	7271427	725	576.90	577.45	0.55	1.06	n/a
						621.15	621.70	0.55	47.04	n/a
						655.35	655.85	0.50	2.25	n/a
						672.65	675.80	3.15	15.43	n/a
incl.						674.55	675.80	1.25	34.48	n/a
						684.25	687.70	3.45	5.67	n/a
incl.						684.25	685.20	0.95	17.00	n/a
						694.00	694.75	0.75	2.78	n/a
18GSE534	UM	225, -67	430647	7270570	713.70	617.15	619.65	2.50	3.33	n/a
						626.85	628.25	1.40	2.83	n/a
						646.45	663.85	17.40	5.24	n/a
incl.						647.70	648.60	0.90	41.21	n/a
and						658.20	659.45	1.25	14.53	n/a
18GSE535	LL	225, -64	429750	7271536	725.00	462.20	462.70	0.50	4.00	n/a
						597.00	598.00	1.00	3.39	n/a
						600.90	605.00	4.10	5.74	n/a
incl.						600.90	601.60	0.70	22.02	n/a
						640.15	644.00	3.85	9.92	n/a
incl.						640.15	640.65	0.50	69.87	n/a
						666.30	667.20	0.90	2.44	n/a
						671.90	676.40	4.50	7.25	n/a
incl.						675.90	676.40	0.50	48.76	n/a
						684.10	686.30	2.20	24.72	n/a
incl.						684.10	684.60	0.50	96.11	n/a
						691.55	692.15	0.60	15.75	n/a
						695.45	701.10	5.65	29.39	28.95**
incl.						695.45	698.35	2.90	48.37	47.51**
18GSE536	LL	60, -54	428659	7272242	440.00	105.05	107.25	2.20	1.95	n/a
						145.00	162.15	17.15	1.38	n/a
18GSE537	NUV	55, -64	432963	7269398	806.00	32.60	33.60	1.00	1.28	n/a
						534.25	534.75	0.50	9.50	n/a
						558.00	559.00	1.00	1.35	n/a
						596.30	598.40	2.10	3.03	n/a
						604.00	605.00	1.00	1.90	n/a
18GSE538	Other	225, -50	429452	7270414	221.00	NSV				
18GSE539	GM	43, -50	434423	7269399	170.00	27.20	28.30	1.10	13.95	n/a
						42.05	42.65	0.60	1.57	n/a
						111.70	112.60	0.90	1.18	n/a
18GSE540	UM	205, -50	429782	7270756	59.00	NSV				
18GSE541	UM	25, -50	429780	7270727	71.00	NSV				
18GSE542	UM	252, -46	429742	7270750	77.00	NSV				
18GSE543	UM	212, -72	430684	7270481	763.70	615.12	616.10	0.98	7.97	n/a
						646.70	647.85	1.15	1.77	n/a
						675.10	676.12	1.02	1.82	n/a
						684.50	688.25	3.75	4.59	n/a
						716.45	723.55	7.10	4.51	n/a
incl.						721.60	722.40	0.80	26.36	n/a
18GSE544	LL	224, -66	429637	7271589	673.70	600.95	602.20	1.25	17.13	n/a
						605.60	606.60	1.00	24.23	n/a
						629.35	633.40	4.05	1.72	n/a

Hole Id	Area	Azimuth, Dip	Easting UTM	Northing UTM	Depth	From (m)	To (m)	Length (m)	Au (g/t)	Au (g/t) Capped
						639.00	640.05	1.05	1.94	n/a
18GSE545	NUV	57, -65	432909	7269346	974.30	47.60	48.45	0.85	6.07	n/a
						88.15	89.65	1.50	5.73	n/a
						758.15	759.40	1.25	2.89	n/a
						777.60	780.10	2.50	3.41	n/a
						782.55	783.55	1.00	1.30	n/a
						797.90	837.40	39.50	11.58	n/a
incl.						815.75	818.90	3.15	48.73	n/a
and						827.65	830.10	2.45	52.12	n/a
incl.						827.65	828.35	0.70	104.24	n/a
						942.00	951.00	9.00	1.77	n/a
						957.00	958.00	1.00	1.58	n/a
						960.00	961.00	1.00	1.17	n/a
18GSE546	LL	225, -65	429906	7271379	809.00	383.58	384.40	0.82	1.22	n/a
						683.00	684.00	1.00	1.07	n/a
						737.77	743.25	5.48	11.43	n/a
incl.						742.25	743.25	1.00	51.26	n/a
						747.50	748.50	1.00	6.84	n/a
18GSE547	LL	225, -63	429622	7271642	662.00	505.55	506.00	0.45	4.93	n/a
						533.30	534.70	1.40	1.40	n/a
						558.65	560.00	1.35	2.52	n/a
						561.80	562.85	1.05	16.94	n/a
						565.05	565.75	0.70	19.76	n/a
						601.50	615.30	13.80	6.20	n/a
incl.						601.50	604.10	2.60	27.85	n/a
						629.45	633.95	4.50	2.97	n/a
18GSE548	LL	223, -63	429587	7271680	26.00	NSV				
18GSE548B	LL	225, -64	429586	7271679	668.00	493.15	494.25	1.10	8.32	n/a
						497.35	499.20	1.85	16.58	n/a
incl.						498.40	499.20	0.80	35.76	n/a
						504.90	506.90	2.00	2.93	n/a
						512.60	517.20	4.60	17.96	n/a
						567.65	571.65	4.00	3.90	n/a
						574.30	575.30	1.00	1.83	n/a
						576.30	578.20	1.90	3.66	n/a
						581.00	589.00	8.00	2.02	n/a
						595.00	599.00	4.00	2.11	n/a
18GSE549	LL	61, -70	429210	7271323	641.00	501.90	502.90	1.00	4.10	n/a
						557.90	561.95	4.05	5.62	n/a
incl.						561.25	561.95	0.70	13.57	n/a
						578.90	586.40	7.50	2.76	n/a
						590.40	591.40	1.00	1.24	n/a
18GSE550	EC	360, -65	432776	7268552	617.00	540.00	541.00	1.00	3.54	n/a
18GSE551	UM	231, -69	430562	7270488	638.00	575.00	576.20	1.20	1.14	n/a
						592.05	593.30	1.25	1.57	n/a
						595.80	605.05	9.25	6.26	n/a
incl.						601.25	604.25	3.00	13.50	n/a
						608.65	611.95	3.30	1.70	n/a
18GSE552	UM	49, -59	429661	7271226	347.00	82.20	83.25	1.05	1.25	n/a
						251.65	254.40	2.75	4.04	n/a
18GSE553	NUV	360, -68	433355	7269155	845.00	539.90	546.80	6.90	1.26	n/a
						554.00	556.00	2.00	1.52	n/a
						663.00	663.70	0.70	1.16	n/a
						723.40	728.30	4.90	8.58	n/a
incl.						723.40	724.05	0.65	27.55	n/a
and						727.15	727.65	0.50	32.98	n/a
						731.00	733.00	2.00	5.55	n/a
						744.00	745.00	1.00	2.80	n/a
						749.00	750.00	1.00	1.12	n/a
						806.45	810.55	4.10	4.50	n/a
						820.00	821.00	1.00	1.02	n/a
18GSE554	EC	314, -66	433027	7268689	566.00	65.50	67.00	1.50	1.35	n/a
18GSE555	LL	60, -58	429118	7271331	659.00	524.30	525.75	1.45	1.02	n/a

Hole Id	Area	Azimuth, Dip	Easting UTM	Northing UTM	Depth	From (m)	To (m)	Length (m)	Au (g/t)	Au (g/t) Capped
						611.20	612.20	1.00	1.27	n/a
						617.95	620.00	2.05	15.34	n/a
incl.						617.95	619.25	1.30	23.14	n/a
18GSE556	NUV	226, -70	433522	7269702	81.66	No Samples				
18GSE556B	NUV	226, -70	433522	7269702	36.00	NSV				
18GSE556C	NUV	226, -70	433522	7269702	851.00	242.50	246.60	4.10	2.25	n/a
						714.50	716.60	2.10	4.14	n/a
						724.50	728.80	4.30	4.39	n/a
						735.80	736.90	1.10	2.54	n/a
						746.40	749.00	2.60	1.06	n/a
18GSE557	NUV	227, -71	433500	7269770	836.00	747.25	748.20	0.95	4.53	n/a
						760.80	762.05	1.25	1.03	n/a
						763.40	765.50	2.10	2.80	n/a
						772.50	773.50	1.00	2.25	n/a
18GSE558	NUV	223, -74	433539	7269637	845.00	356.00	357.50	1.50	4.22	n/a
						359.00	359.85	0.85	1.38	n/a
						366.30	368.85	2.55	1.09	n/a
						374.00	374.80	0.80	2.20	n/a
						378.95	382.00	3.05	3.90	n/a
						385.45	386.15	0.70	5.69	n/a
						390.00	394.00	4.00	1.05	n/a
						400.00	406.40	6.40	7.44	n/a
incl.						402.75	403.50	0.75	41.37	n/a
						413.00	413.70	0.70	1.80	n/a
						423.60	432.70	9.10	9.48	n/a
incl.						424.20	424.75	0.55	84.80	n/a
						439.50	445.00	5.50	2.76	n/a
						477.00	478.00	1.00	4.68	n/a
						716.20	717.00	0.80	14.20	n/a
						719.10	731.50	12.40	7.78	n/a
incl.						719.10	724.70	5.60	15.01	n/a
						740.50	753.70	13.20	16.39	n/a
incl.						740.50	747.05	6.55	30.56	n/a
						780.30	781.70	1.40	1.05	n/a
						783.70	788.80	5.10	13.32	n/a
18GSE558W1	NUV	223, -74	433539	7269637	848.00	356.95	358.00	1.05	1.88	n/a
						363.85	365.60	1.75	1.12	n/a
						367.70	368.85	1.15	1.41	n/a
						369.65	370.85	1.20	1.02	n/a
						372.85	373.90	1.05	1.97	n/a
						379.05	382.40	3.35	1.59	n/a
						388.30	388.90	0.60	5.25	n/a
						402.20	403.35	1.15	1.20	n/a
						405.50	406.50	1.00	1.71	n/a
						409.70	410.50	0.80	1.28	n/a
						422.60	426.70	4.10	4.71	n/a
						439.95	441.00	1.05	1.06	n/a
						446.15	447.15	1.00	1.98	n/a
						459.35	460.50	1.15	1.09	n/a
						688.05	689.00	0.95	3.56	n/a
						727.05	728.15	1.10	1.72	n/a
						731.80	744.50	12.70	5.89	n/a
incl.						740.40	744.50	4.10	14.83	n/a
						748.45	752.65	4.20	7.45	n/a
incl.						748.45	749.40	0.95	26.44	n/a
						792.90	794.20	1.30	41.56	n/a
18GSE558W2	NUV	223, -74	433539	7269637	791.00	356.55	357.70	1.15	1.09	n/a
						363.30	371.85	8.55	1.03	n/a
						387.25	388.40	1.15	1.09	n/a
						396.80	400.15	3.35	1.43	n/a
						489.40	490.60	1.20	3.91	n/a
						681.20	682.90	1.70	1.72	n/a

Hole Id	Area	Azimuth, Dip	Easting UTM	Northing UTM	Depth	From (m)	To (m)	Length (m)	Au (g/t)	Au (g/t) Capped
						688.90	689.75	0.85	2.25	n/a
						692.60	700.50	7.90	1.71	n/a
						703.65	738.25	34.60	5.81	n/a
incl.						705.55	707.35	1.80	40.98	n/a
						743.00	745.00	2.00	1.23	n/a
18GSE559	NUV	222, -72	433585	7269785	1004.00	211.10	211.75	0.65	1.13	n/a
						251.90	253.70	1.80	1.19	n/a
						256.45	257.45	1.00	1.17	n/a
						293.60	299.00	5.40	1.52	n/a
						302.00	303.05	1.05	1.63	n/a
						305.10	306.00	0.90	1.80	n/a
						701.65	702.15	0.50	2.35	n/a
						834.00	835.00	1.00	3.26	n/a
						851.70	855.00	3.30	10.24	n/a
						889.00	902.00	13.00	8.17	n/a
incl.						893.00	895.70	2.70	23.99	n/a
						915.00	917.00	2.00	1.88	n/a
18GSE559W1	NUV	222, -72	433585	7269785	887.50	774.85	775.60	0.75	6.86	n/a
						795.00	802.60	7.60	1.02	n/a
						829.25	831.15	1.90	6.55	n/a
						835.70	844.40	8.70	12.41	n/a
						840.25	841.35	1.10	32.60	n/a
						845.45	846.40	0.95	1.92	n/a
						855.60	857.35	1.75	1.80	n/a
18GSE560	NUV	130, -45	432700	7269606	290.00	NSV				
18GSE561	NUV	2, -48	432726	7269575	284.00	NSV				
18GSE562	NUV	328, -70	433524	7269380	572.00	58.80	59.80	1.00	50.29	n/a
						73.55	74.55	1.00	1.85	n/a
						431.95	436.25	4.3	0.71	n/a
						441.60	442.60	1.00	1.59	n/a
						453.20	461.00	7.80	3.37	n/a
incl.						453.20	454.15	0.95	14.94	n/a
						464.00	465.00	1.00	1.43	n/a
						473.50	476.40	2.90	2.11	n/a
18BRP046	VGA	271, -50	413956	7279011	290.00	134.80	142.70	7.90	2.41	n/a
incl.						141.70	142.70	1.00	6.35	n/a
						144.45	145.30	0.85	3.08	n/a
						156.80	159.40	2.60	3.51	n/a
incl.						158.45	159.40	0.95	7.37	n/a
						237.65	239.00	1.35	2.82	n/a
						242.90	243.85	0.95	11.46	n/a
18BRP047	VGA	86, -48	413648	7279428	335.00	106.60	107.60	1.00	1.63	n/a
						277.88	279.25	1.37	1.55	n/a
18BRP048	RNB	45, -48	413662	7280267	338.00	137.42	138.40	0.98	1.01	n/a
18BRP049	VGA	265, -61	414036	7279013	431.00	313.70	314.35	0.65	1.17	n/a

*Capped at 80 g/t Au

**Capped at 100 g/t Au

^ True widths of the intercepts reported are unknown at this time.

^ Capping for high grade exploration assay(s) is consistent with the resource statistics employed for mineral resources related to the respective deposit areas at Back River.

All drill core samples selected within the exploration program are subject to a company standard of internal quality control and quality assurance programs which include the insertion of certified reference materials, blank materials and duplicates analysis. All samples are sent to SGS Canada Inc. located in Burnaby, British Columbia where they are processed for gold analysis by 50gram fire assay with finish by a combination of atomic absorption and gravimetric methods. Additionally, analysis by screen metallic processes is performed on select samples.

2019 Budget

Sabina is advancing its high grade, permitted Back River Project towards a production decision with measured initiatives within the Company's financial resources. The 2019 budget enables the Company to continue its two-pronged approach: completing project development activities that continue to reduce execution risk as well as continuing high value exploration. The 2019 budget totals approximately $41 million in expenditures, including certain discretionary expenditures of $6-8 million for earthworks programs at Goose. The discretionary spending will be assessed during the year and depending on prevailing market sentiment could be deferred resulting in a larger cash balance at the end of 2019.

The 2019 budget delivers:

1. Additional de-risking of mine construction by completion of:

    a. Winter-ice-road construction and haulage of materials to Goose site from the port facility at Bathurst Inlet.

    b. Detailed selection of process plant equipment and the major vendors suppliers.

    c. Development of an engineering, procurement, and construction (EPC) contract for the process plant, including fixed pricing and performance guarantee. The EPC contract provides greater certainty of costs and schedule than the method of delivery proposed in the feasibility study.

    d. Goose site construction, including earthworks to prepare the process plant site, pads and access roads

    e. Detailed engineering to support initial mine development, bulk earthworks, process plant and tailings storage facility construction and completion of issued-for-construction drawings

    f. Procurement of the process plant major equipment certified drawings and ~1.0 million litres of fuel for 2019 and some initial 2020 activities

    g. A sea-lift of construction equipment to be delivered to the Port facility in the summer of 2019

2. An exploration program of ~8,000 meters commencing in the spring, focused on Nuvuyak, Hook and other targets primarily at Goose

3. Advancement of remaining minor licenses and authorizations.

2019 Exploration Drilling

During 2019, Sabina will continue to conduct multi-stage exploration and target initiatives at the Back River Project that will consist of drilling of approximately 8,000 metres, geologic mapping and rock sampling across a number of target areas, till and soil sampling and geophysics surveys.

The drilling strategy will continue to focus at the Goose project in the key areas of resource growth and optimization in high grade zones, and advancement of new target concepts. The top priority for drilling will be to continue to grow the Nuvuyak discovery, definition of a prospective

zone of shallower level high grade Hook zone mineralization, and further targeting in the high-grade portions of the Llama extension and north Vault area. With additional confirmatory drilling the three high grade discoveries made since the Feasibility Study represent opportunities to extend the mine life and/or improve the already robust economics of the Back River Project.

Goose camp is expected to open in mid-March 2019 with drilling beginning in April. If warranted, additional drilling would be planned in the summer months to follow up on results from the spring program.

HACKETT RIVER SILVER ROYALTY

Acquisition of the Hackett River Project

The Hackett River Project was acquired pursuant to a Memorandum of Understanding dated November 24, 2003 (the "**Hackett River Agreement**") between the Company and Cominco Mining Partnership ("**CMP**"), a partnership of Teck Cominco Metals Ltd. and its wholly-owned subsidiary, Cominco Nova Scotia Company. The Hackett River Agreement granted to the Company an option to earn a 100% interest in the Hackett River Project by spending $7 million on exploration within a five-year period. On January 12, 2006, Sabina exercised the option and earned a 100% interest in the Hackett River Project subject to certain back in rights of CMP (which were not exercised). The property is subject to a 2% net smelter return royalty in favour of CMP and a 10% net profit interest royalty capped at $2,000,000 in favour of Etruscan Resources Ltd. The Hackett River Agreement also granted the partnership a right of first refusal (the "**ROFO**") to purchase 50% of all products derived from the Hackett River Project.

On December 13, 2010, the Company entered into an extinguishment agreement (the "**Extinguishment Agreement**") with the partnership pursuant to which the ROFO was extinguished in consideration of 100,000 Common Shares and 100,000 special warrants of the Company (the "**Special Warrants**"). The Special Warrants were exercisable for no further consideration to acquire 100,000 Common Shares upon the occurrence of certain events by December 30, 2015. The Special Warrants were exercised in December 2011 upon completion of the sale of Hackett River to Glencore.

Sale of the Hackett River Project

Recognizing that it had two potentially world class projects and given the size and complexity of the Hackett River Project, in the fall of 2010 Sabina engaged BMO Capital Markets to look for a strategic partner on the project. The objective of this strategy was to allow Sabina to focus on developing its gold assets, potentially enabling production sooner at the smaller scale Back River Property, while at the same time continuing to push the Hackett River Project forward. Glencore (then Xstrata Zinc) expressed interest in the Hackett River Project early in the process and was aggressive in completing due diligence and making a bona-fide offer in the spring of 2011.

On June 1, 2011, the Company entered into a definitive agreement (the "**Hackett Agreement**") to sell the Hackett River Project and certain claims included in the Wishbone Project (the "**Sold Properties**") to Glencore for cash consideration of $50 million. As well, Sabina reserved a silver production royalty (the "**Hackett Royalty**") equal to 22.5% of the first 190 million ounces of payable silver from the current resource at the Sold Properties and 12.5% of all payable silver from the Sold Properties thereafter.

Following formal closing, which occurred on November 14, 2011, Glencore was required to spend not less than $50 million on the Sold Properties ("**FS Expenditures**") with a view to completing a National Instrument 43-101 compliant feasibility study by the fourth anniversary of the completion date of the transaction. If the feasibility study has not been completed by this date, Glencore can elect to incur additional FS Expenditures of not less than $10 million by each of the next three anniversaries. As of November 2015, Glencore had met the required spending on the project.

Sabina may exercise a right to buy back ("**Buy Back Right**") the Sold Properties for a cash purchase price equal to 100% of the FS Expenditures incurred by Glencore if Glencore has not by the seventh anniversary of the completion date publicly announced a definitive decision to begin construction of a mine within 12 months following such seventh anniversary. Given that Glencore did not make such announcement by the required date (November 14, 2018), Sabina has until May 14, 2019 to exercise its Buy Back Right. Sabina estimates the buy back purchase price would be approximately C$102 million.

If Sabina exercises the Buy Back Right, Glencore may elect to pre-empt the Buy Back Right and retain the Properties by paying to Sabina an advance royalty payment of $75 million in three instalments of $25 million over three years.

The Hackett Royalty is defined in a silver royalty agreement (the "**Royalty Agreement**") made as of October 3, 2011 which sets out the terms for the calculation and payment of the Hackett Royalty and other rights relating thereto. Under the Royalty Agreement, the obligation to pay the Hackett Royalty arises from the date on which Glencore is entitled to receive payment for the sale of silver from the Sold Properties under sales contracts entered into by Glencore from time to time. The Hackett Royalty payable is equal to 22.5% of the gross value (being, generally speaking, the ounces of silver sold multiplied by the silver market price less deductions for actual charges incurred by Glencore specifically with respect to such silver) on the first 190 million ounces of silver produced in the aggregate from what is defined in the Royalty Agreement as the "Known Resource" or otherwise from the Sold Properties (subject to set off against, and potential repayment of, any Excess Royalty described below), and 12.5% of the gross value of any additional silver mined from the "Known Resource" or elsewhere on the Sold Properties.

The "Known Resource" is a 3-D block model completed for the purposes of the Hackett Agreement consisting of the existing Hackett River mineral resources, derived from the PEG Study (see "Description of the Hackett River Project"), and additional tonnage of approximately 10% as assessed by Glencore based on its review of the 2010 drilling on the Hackett River Project.

A reconciliation of the silver produced and Hackett Royalty paid as it relates to the Known Resource will be completed once the Known Resource has been completely mined out. Once reconciled, if it is determined that less than 190 million ounces was mined and milled from the Known Resource and consequently the Hackett Royalty was paid at 22.5% on ounces of silver that were not produced from the Known Resource ("**Excess Ounces**"), Sabina must repay to Glencore an amount equal to, generally speaking, 10% of the gross value of such Excess Ounces (the "**Excess Royalty**"). Any Excess Royalty will be repaid by Sabina to Glencore by way of a set off against future 12.5% royalty payments payable to Sabina. The right to set off against future royalty payments is Glencore's sole means to recover any Excess Royalty made until such time as Glencore has permanently ceased mining operations on the Sold Properties

whereupon Glencore may notify Sabina to repay any unrecovered Excess Royalty in cash within 180 days of such notice.

Under the Royalty Agreement, Glencore will have a right of first refusal (the "**Glencore ROFR**") if Sabina receives an offer to purchase the Hackett Royalty from an arm's length third party that Sabina wishes to accept. The Glencore ROFR, however, does not apply to a sale of the Hackett Royalty to (i) certain purchasers named in the Royalty Agreement, or (ii) subject to the prior approval of Glencore, not to be unreasonably withheld, to a purchaser with a market capitalization greater than $500 million. In addition, the Glencore ROFR does not apply to the acquisition of Sabina, unless at the relevant time the Hackett Royalty represents all or substantially all of Sabina's assets.

Silver Wheaton waived any rights under the December 21, 2006 agreement between Silver Wheaton and the Company pursuant to which Silver Wheaton was granted a right of first refusal over any silver sale (other than trade sales in the ordinary course of business) by Sabina from the Hackett River Project. As consideration for this waiver Sabina agreed, among other things, that Silver Wheaton's right of first refusal will apply to the sale or assignment by Sabina of the Royalty Agreement.

Description of the Hackett River Project

The following is extracted from the executive summary of the technical report dated effective July 31, 2013 titled "Sabina Gold & Silver Corp. Hackett River Property Royalty, NI 43-101 Technical Report Nunavut, Canada" (the "**Hackett River Report**") prepared by AMC and authored by Stanley Gordon Clemmer, Aline Cote, John Morton Shannon and Alan Riles in connection with Sabina's royalty interests (not direct ownership) on the property. For full technical details, reference should be made to the complete text of the Hackett River Report which is available on SEDAR under the Company's profile at www.sedar.com (filed March 12, 2014) and which is incorporated by reference herein. The following summary does not purport to be complete and is subject to all the assumptions, qualifications and procedures as set out in the Hackett River Report and is qualified in its entirety with reference to the full text of the Hackett River Report.

Sabina is required by Canadian Securities Administrators (CSA) National Instrument 43-101 (NI 43-101) to prepare a Technical Report on the Hackett River Property (the Property) with respect to its royalty on future silver production on the Property. The Property is located in the Back River area of Nunavut, Canada. The report has been prepared jointly by Sabina and AMC, in connection with Sabina's silver royalty interests (not direct ownership) on the Property. Mining companies are not (typically) required and, as a matter of practice, do not normally disclose detailed information to companies which hold a royalty interest in their operations unless legally mandated to do so. The royalty holder therefore, is limited in the amount of information and details it can disclose to that which is available in the public domain. Glencore is not a reporting issuer in Canada and is therefore not required to publish any information it considers proprietary. Glencore has made certain portions of the resource estimate documentation available to Sabina and allowed an employee of Glencore to sign off as a Qualified Person ("**QP**") in regard to those portions. In particular, the QP that is an employee of Glencore authored Sections 12 and 14 and co-authored Sections 10 and 11.

The Technical Report, additionally, relies upon general information available in the public domain including: Xstrata annual reports and various older technical reports many of which are available on the SEDAR website. The most recent public report (prior to the July 2013 report) PEG Mining Consultants Inc., 2009: Preliminary Economic Assessment (Update) NI 43-101

Report, Hackett River Project, Nunavut Canada Amended July 26, 2010 (the "**PEG 2009 PEA**"), posted to www.sedar.com, was completed for Sabina while it still owned the project. It is no longer regarded as current and only cited where data is relevant. Where used, it is referred to as the PEG 2009 PEA report.

Note that while the names Xstrata and Glencore can to some extent be used interchangeably, Xstrata is used in a historical sense and Glencore in a current and future sense in this report.

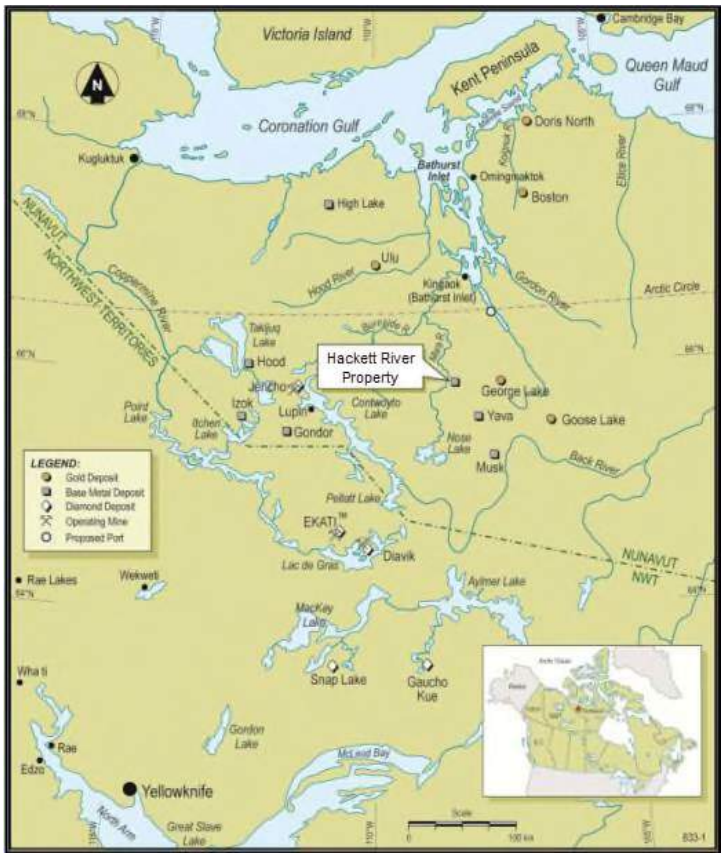
The information contained in this Technical Report is effective as of July 31, 2013.

Property Description and Location

The Hackett River Project is located in Nunavut, Canada, approximately 480 km northeast of Yellowknife and 105 km south-southwest of Bathurst Inlet, which is located on the Arctic Ocean. The approximate centre of the property is at 65º 55' North Latitude, 108º 30' West Longitude (UTM 7315000N/615000E on Transverse Mercator Projection, NAD 83 Datum, Zone 12). It is located in the Kitikmeot Region of Nunavut and falls within the jurisdiction of the West Kitikmeot Planning Region. The nearest major settlements are Kugluktuk (approximately 360 km northwest) and Cambridge Bay (approximately 380 km northeast). Other major communities in the region include Gjoa Haven (617 km), Kugaruuk (846 km), Taloyoak (742 km) and Yellowknife, NWT (485 km).

The location of the Property is shown in Figure 2.0 which has been taken from the PEG 2009 PEA.

Figure 2.0 Location of Hackett River Property



Ownership

The Property comprises nine mineral leases totalling 30,271 acres or 12,250 hectares and 132 claims totalling 264,671 acres or 107,109 hectares. On November 14, 2011, the leases and claims were transferred to Xstrata after the closing of the sales agreement to sell the Properties to Xstrata subject to a royalty interest.

Geology, Mineralization and Deposit Type

The Property is located in the Slave Province of Nunavut within an Archean greenstone belt. The Hackett volcanogenic massive sulphide deposits are hosted by intermediate to felsic meta-volcanic rocks. There are four deposits that occur along a six kilometre NNW folded linear trend with the Jo Zone deposit in the southeast, next the Main Zone deposit, next the Boot Lake deposit, and finally the East Cleaver deposit in the northwest.

Exploration and Drilling

The deposits were discovered in 1969 and various companies have explored the property up to the present. Up to the end of 2012, a total of 784 holes have been drilled for a total of 179,875 metres. The work has estimated Mineral Resources in four separate deposits: Jo Zone, Main Zone, Boot Lake and East Cleaver.

Mineral Resource Estimate

This mineral resource estimate was completed by Xstrata and disclosed in its R&R Report [its annual report of mineral resources and reserves as at December 31, 2012], which was reported under the JORC code. These have been reviewed by AMC and are stated here in accordance with NI 43-101 thus conforming to the CIM Definition Standards - for Mineral Resources and Mineral Reserves.

The Mineral Resource estimate is listed in Table 2.1.

Table 2.1: Mineral Resource Estimate – Hackett River Deposits

	Mt	Zn %	Pb %	Cu %	Ag g/t	Au g/t
Indicated	25	4.2	0.6	0.5	130	0.3
Inferred	57	3.0	0.5	0.4	100	0.2

1. Source: Xstrata R&R Report (as of December 31, 2012)
2. Mineral resources, which are not mineral reserves, demonstrate economic potential, but have yet to demonstrate economic viability.
3. Glencore's normal data verification procedures have been employed in connection with the estimations.

There are no Mineral Reserves defined on the project.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates do not account for mineability, selectivity, mining loss and dilution. These mineral resource estimates include inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that

would enable them to be categorized as mineral reserves. There is also no certainty that these inferred mineral resources will be converted to measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied.

(Glencore announced an updated mineral resource estimate as of December 31, 2014 on the Hackett River project which was re-published and can be found at http://www.glencore.com/investors/reports-and-results/reserves-and-resources. Sabina does not consider the change in the mineral resource estimate from the December 31, 2012 estimate to be material.)

Mineral Processing and Metallurgical Testing

Batch testing of various bulk Cu/Pb and sequential flotation flowsheets concluded that the optimum flowsheet in terms of maximising recoveries, especially lead and silver, to acceptable concentrate grades was bulk Cu/Pb flotation followed by separation of Pb from Cu in the bulk concentrate and Zn flotation on the tails.

Further testing of this flowsheet, including locked cycle work, resulted in the average metal recoveries and concentrate grades used for the PEA as listed in Tables 1.2 and 1.3.

Table 1.2 Projected Average Metal Recoveries – Combined Products (PEG 2009 PEA)

Combined Products	Million Tonnes	% Recovery				
		Cu	Au	Ag	Pb	Zn
Main Zone	24.4	76.3	51.5	77.6	85.3	91.6
Boot Lake	13.6	76.9	58.9	74.3	85.8	89.8
East Cleaver	23.1	70.9	56.6	78.5	83.9	93.8
Weighted Average	61.1	74.4	55.0	77.2	84.9	92.0
Economic Model		74.5	55.0	77.0	85.0	92.0

Table 1.3 Projected Average Concentrate Grades – Combined Products (PEG 2009 PEA)

All Products	Million Tonnes	Concentrate Grade, %		
		Cu	Pb	Zn
Main Zone	24.4	23.4	45.7	57.3
Boot Lake	13.6	23.2	55.3	55.9
East Cleaver	23.1	24.1	53.3	54.9
Weighted Average	61.1	23.6	50.7	56.1
Economic Model		23.5	51.0	56.0

The metallurgical testing also examined the potential deleterious elements in the concentrates and the main conclusions are:

- Elevated levels (1,700 to 2,400 ppm) of cadmium were noted in all of the zinc concentrates produced.
- Mercury levels exceeded 10 ppm in nine of the 20 concentrates tested.

- High silica concentrations were observed in a number of locked cycle products.

The proposed process plant is a conventional crushing/grinding/flotation operation, although AMC has noted that the SAG mill circuit for grinding requires further testwork to support its application on this deposit.

Mining Methods

The PEG 2009 PEA envisioned a combination of open pit and underground mining. For the open pits PEA level open pit criteria were used to develop open pits for the Main Zone, East Cleaver and Boot Lake deposits. The PEG 2009 PEA looked at the geotechnical and ground support required for an underground mine at the Boot Lake deposit and the suitability for sub-level caving (SLC).

The PEG 2009 PEA considered two mining rates of 10,000 and 12,000 tpd for the open pits, and up to 5,000 tpd for the underground operation.

This information is no longer regarded as current.

Recovery Methods

The PEG 2009 PEA outlined an optimum flow sheet to produce a saleable concentrate for zinc, lead and copper with an emphasis on optimizing silver recovery. A conventional crushing/ milling/flotation operation was envisaged and presented minimal technological risk.

The process plant was designed on a base case 10,000 tpd operation and the engineering is based on this rate. Subsequent financial analysis suggests a 12,000 tpd capacity is more economic and therefore capital costs and operating costs were factored to accommodate this increase in throughput.

This information is no longer regarded as current.

Project Infrastructure

Hackett River is a remote site and two principal routes will be used to supply any future mine. Goods and concentrate will move by marine transport and road, and air transport will be used for personnel, perishable goods and emergency transport. A deep water port in Bathurst Inlet will be needed to allow transport of materials in to and out of site along an overland route to the mine.

The proposed port is located approximately 75 km north of the mine site by air. It will need to be designed to handle up to 56,000 dwt capacity ocean going vessels during an estimated 120-day ice free shipping season.

The PEG 2009 PEA proposes a 96 km all season road to be constructed from the port to the mine site. The road will allow truck transport of concentrate to the port. Air transport, estimated at 2,600 tonnes per year, will require a 2,000 metre airstrip with GPS approach capabilities.

There is no public information available on this issue.

Market Studies and Contracts

There is no public information available on this issue.

Environmental Studies, Permitting and Social or Community Impact

The Property is located in the West Kitikmeot Region of Nunavut and will require the development of an open pit and underground mine complex, the construction of tailing and waste storage areas, construction of a road to a port facility on Bathurst Inlet and other related infrastructure.

The project will be subject to an environmental assessment and regulatory review. The Nunavut Agreement created the Nunavut Territory in 1997. Under the Nunavut Agreement surface and subsurface rights for some parcels of land have been entrusted to the Inuit. The Designated Inuit Organization under the NLCA is Nunavut Tunngavik Inc ("**NTI**") and it retains administration of the subsurface mineral rights for Inuit Owned Lands ("**IOL**"). Surface rights for IOL are vested from NTI to the Regional Inuit Associations ("**RIA**"). All other surface and subsurface rights in Nunavut are managed by the Crown through AANDC except for communities within the territory. The communities and municipalities are within Commissioners lands and are managed by the Government of Nunavut ("**GN**"). See Sections 4.2 and 4.3 of this report for details of IOL and Crown surface and subsurface rights with respect to the Property.

Nunavut Tunngavik Incorporated ("**NTI**") holds the principle that the development of mineral resources will be supported and promoted if there will be long term economic and social benefits for the Inuit of Nunavut.

Five management boards were created within the NLCA and these Institutes of Public Government include representatives of NTI, the Crown and the GN and are responsible for resource management in Nunavut. Several Federal Acts apply and these include the *Fisheries Act* and the *Navigable Waters Act*.

The environmental regulatory process that will apply to the project includes territorial environmental assessment administered by the Nunavut Impact Review Board, water licensing administered by the Nunavut Water Board, and authorization from Canada Department of Fisheries and Oceans and listing under Schedule 2 of the Metal Mine Effluent Regulations (*Fisheries Act*) for disposal of tailings in a natural water body. An Inuit Impact and Benefit Agreement (IIBA) will need to be negotiated with the Regional Inuit Association and land leases (Inuit-owned and Crown) will be required.

Sabina commenced collecting baseline environmental data in 2007; however the current status of Glencore's environmental baseline data collection is not publicly available.

Capital and Operating Costs

There is no available public information on this issue.

Economic Analysis

The economic analysis shown in the PEG 2009 PEA is regarded as no longer current.

Conclusions and Recommendations

The Property contains four massive sulphide deposits that occur over a 6.6 km strike distance and from west to east are the East Cleaver, Boot Lake, Main Zone, and Jo Zone deposits. The deposits are typical polymetallic base metal volcanogenic massive sulphide deposits and are

notable for their high silver content. The deposits are hosted in Archean age volcanic rocks within the Hackett River Greenstone belt in the Nunavut portion of the Slave Craton.

The deposits were discovered in 1969 and explored by several companies including Cominco and Teck prior to Sabina acquiring the property in 2003. Sabina sold the Properties to Xstrata in 2011 subject to a silver royalty. Xstrata continued to explore and evaluate the Hackett River deposits with programs in 2012, and Glencore in 2013. This work continues to increase the knowledge and confidence in resource estimates reducing the overall risk to the project.

Exploration, largely drilling, has continued to expand and better define the four deposits since the last two resource estimates in 2011 and 2009. Drilling prior to 2009 totalled 408 drillholes for 86,177 metres and drilling now totals 784 holes for 179,875 metres. The current Xstrata 2012 resource estimate used the additional drilling from 2009 through 2012 and increased the size of the deposits.

The comparison to the 2009 figures shows a reduction in Indicated Mineral Resource (46.3 Mt to 25.0 Mt), and a large increase in the Inferred Mineral Resource, (15.9 Mt to 57.0 Mt). The change in Indicated has been explained as being due to a different method of classification, and the increase in Inferred is due to drilling, new metal prices and new cut-off grades.

For Sabina, with a silver royalty of 22.5% on the first 190 million ounces of silver produced and 12.5% on any additional production, the Indicated Mineral Resource estimate of 25 Mt of 130g/t silver and the Inferred Mineral Resource estimate of 57 Mt of 100 g/t silver (both 2009 resource estimates) represent a material asset to the company.

Recommendations from previous resource reports have noted the need to acquire more bulk density data. The collection of prycrometer bulk density data by Xstrata on all the 2012 assay samples has increased the reliability of the density model.

The PEG 2009 PEA evaluated the economic viability of the deposits under a reasonable set of technical and economic variables at that time. This PEA envisioned a 16-year, 12,000 tpd open pit and underground mine with a 97 km long road to Bathurst Inlet that will carry supplies and fuel into the mine and concentrate out. This study is no longer regarded as current.

There is currently no public information regarding Glencore's plans or work undertaken for the Hackett River Project and Sabina as the royalty holder and is not in a position to make recommendations in regard to the Property.

OTHER PROPERTIES

Wishbone Project, Nunavut

Description of the Wishbone Project

The Wishbone Project was initially comprised of a series of 180 mining claims covering a district-scale land package over the highly prospective extension of the Hackett River Greenstone belt that hosts the Hackett River VMS project.

With the sale of the Hackett River Project to Xstrata, Sabina retained 48 of these claims along the south eastern portion of the greenstone belt that cover a number of iron formation hosted targets with geology analogous to that found at Back River.

In August 2011, a new highly favourable gold trend was identified by Sabina on these retained Wishbone claims at the Lucky 7 target. As a result of this discovery, Sabina staked 73 new claims to the east and south of the existing property. The Wishbone Project now consists of 50 mining claims and one lease covering 44,000 ha. The Back River Property is located 60km to the east of Wishbone. The Wishbone Project covers volcaniclastic rocks of the Hackett River Group, which is part of a larger group of volcanic rocks collectively referred to as the Hackett River Greenstone Belt consisting of largely volcanic rocks of varying composition which differs from the largely sedimentary rocks in the Back River Property including George Lake and Goose Lake.

Limited exploration work was completed in the area during the 1970s and early 1980s following the discovery of a massive sulphide deposit, at what is now Hackett River. Work included airborne and ground geophysics over numerous gossan zones in the area, along with detailed mapping and soil geochemistry surveys. The bulk of this work was carried out by Cominco Ltd. and Noranda Inc. DPM staked the initial Wishbone claims and commenced exploration work in 2007. They completed a time-domain electromagnetic ("**VTEM**") and magnetic geophysical survey over a portion of the Wishbone Project which generated 198 anomalies of which 112 warranted follow-up. DPM completed limited preliminary ground investigation of selected anomalies which given the geological setting would be considered to be base metal exploration targets rather than gold exploration targets. Moderate to high potential exists to define a mineral resource within the Wishbone Project. The Company considers the Wishbone Project to be an early stage grassroots exploration prospect**.**

Geological Mapping and Prospect Evaluation

A geological mapping and prospect evaluation program was conducted throughout the summers of 2009 and 2010. This program focused on high potential VMS, gold and kimberlite targets that were identified by an evaluation of the extensive VTEM survey that covers most of the southern portion of the property.

A focus was to evaluate the volcanic stratigraphy and alteration immediately surrounding the Hanimor dome. The Hanimor dome is thought to be a synvolcanic intrusion that supplied heat and metals to the Hackett River deposits. Very limited previous work approximately 13 km to the east of the Hackett deposits, at the May and Watson prospects, encountered interesting mineralization during scout drilling by Cominco in 1971.

Geophysics

In 2010, a new VTEM survey was flown over the Hackett River property and a portion of the Wishbone claims immediately to the north of the earlier VTEM survey flown by DPM in 2008. This survey defined a number of new high quality targets, particularly at the eastern end of the property immediately to the east of the Hanimore Dome.

Wishbone Exploration Results

The Company completed 11,629 meters of drilling in 2011 on the Wishbone properties for total expenditures of $8.8 million. Work initially began in the Bullwinkle area and then relocated to the Rocky area in July returning to Bullwinkle in September. Both areas are underlain by folded oxide and silicate iron formations. The iron formations in the Rocky area are locally very highly sulphidized with abundant pyrite and pyrrhotite.

The highlight of the program has been the discovery at Lucky 7 in the Bullwinkle area, in in an altered fault gouge zone with shearing, quartz veining and up to 5% pyrite and pyrrhotite.

At Rocky, numerous wide, low grade intersections have been returned in pyrrhotite-rich silicate and oxide iron formation.

A total of 33 holes and 7479m were drilled on the Wishbone property in 2012 with total exploration costs being approximately $6 million. Drilling continued to outline low grade gold zones found in 2011 at the Lucky 7 and Rocky targets. As no higher grade zones were discovered, further drilling has been put on hold.

Mapping, prospecting and till sampling were also completed over several areas on Wishbone with encouraging results at the Dark Side, Hawaii and Hawaii South prospects. Field work is recommended for Wishbone in 2015 in order to better outline targets and further evaluate the claims staked in 2011.

Twenty days of geologic mapping and sampling program were completed at Wishbone during 2013 and 2014 with the purpose of understanding project geology and developing future exploration targets. No significant work was undertaken on the project from 2015 to 2018.

A long term strategic review on the Property resulted in a write-down of $7.1 million for certain non-core mineral claims on the Property in 2017. While certain mineral claims on the Wishbone property remain long-term exploration opportunities, the Company's immediate focus is on the Back River deposits and exploration opportunities proximal to existing resources.

Red Lake Area, Ontario

Golden Sidewalk

Sabina owns 100% 22 claims and 12 leases, known as the Golden Sidewalk property, located in Skinner Township in the Red Lake Mining District of north-western Ontario. There are no royalties or carried interests attached to the Golden Sidewalk property. The Golden Sidewalk Property, hosting the past-producing Bathurst Mine, is located within the Birch-Uchi greenstone belt. Gold was discovered on the Golden Sidewalk property in 1926. The property produced high-grade gold specimens from several different locations during limited sporadic production from 1928 to 1937.

A limited geologic fieldwork program consisting of outcrop mapping, rock sampling and soil sampling was completed on the project in October, 2016. No work was completed on these properties in 2017 or 2018.

Skinner

Sabina owns a 100% interest in 125 mineral claims, known as the Skinner property, located in the Red Lake Gold camp adjacent to and immediately south of the Golden Sidewalk property. Sabina optioned the property in June 2004 from Wolfden Resources Ltd. (now Premier), which retained a 7.5% net profit interest capped at $450,000. Franco-Nevada Corporation holds a 1% net smelter return royalty and a local prospector holds another 2% net smelter return interest (1% of which can be purchased by Sabina for $1,200,000, while the other 1% is subject to a right of first refusal granted to Sabina).

A limited geologic fieldwork program consisting of outcrop mapping, rock sampling and soil sampling was completed on the project in October, 2016. Work focused on expanding and further evaluating prioritized target areas to better constrain size and tenor of gold anomalism. Results from this work will be used to better inform the planning of future exploration programs. No work was completed on this property in 2017 or 2018.

Redaurum

Goldcorp Inc. ("**Goldcorp**") commenced exploration activities in 2003 on the Company's 80% owned Redaurum property in accordance with the terms of an option agreement effective April 30, 2003. The remaining 20% interest in the Redaurum property was held by Claude Resources Inc. ("**Claude**"). Under the option agreement, Goldcorp earned a 50% interest in the property from Sabina's 80% interest only (reducing Sabina's interest to 30%) by making cash payments to Sabina totaling $100,000 over a three-year period ended April 30, 2006 and incurring exploration expenditures on the Redaurum property totaling $2,000,000 over a four-year period ended April 30, 2007. Upon Goldcorp earning its initial 50% interest in the Redaurum property, Sabina was deemed to have transferred a 5% interest to Claude in return for Claude having waived a right of first refusal granted to it by Goldcorp. Sabina then elected to have Goldcorp fund all further expenditures on the Redaurum property up to production in return for an additional 5% interest, leaving Sabina with a 20% interest carried to production.

The Redaurum property is located within one of the major Red Lake deformation zones and in close proximity to the past producing Madsen Gold Mine. The Redaurum Property is underlain by several ultramafic rock units and extensive quartz carbonate veining, which are important features of Goldcorp's Campbell and Red Lake producing gold mines.

RISK FACTORS

Investors should carefully consider all of the information disclosed in this Annual Information Form prior to investing in the securities of the Company. In addition to the other information presented in this Annual Information Form, the following risk factors should be considered when evaluating an investment in such securities. Risks Related to the Business of the Company

Exploration Hazards and Risks

Natural resource exploration generally involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include, but are not limited to, the following; environmental hazards, industrial accidents, third party accidents, unusual or unexpected geological structures or formations, fires, power outages, labour disruptions, floods, explosions, cave ins, landslides, acts of God, periodic interruptions due to inclement or hazardous weather conditions, earthquakes, delays in transportation, inaccessibility to property, restrictions of courts and/or government authorities, other restrictive matters beyond the reasonable control of the Company, and the inability to obtain suitable or adequate machinery, equipment or labour. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration of precious and base metals, any of which could result in work stoppages, asset write downs, damage to or destruction of equipment and other facilities, damage to life and property, environmental damage and possible legal liability for any or all damages. The Company may become subject to liability for pollution, or hazards against which it cannot insure or against which it may elect not to insure. Any compensation for such liabilities may have a material, adverse effect on the Company's financial position.

The Company's property, business interruption and liability insurance may not provide sufficient coverage for losses related to these or other hazards. Insurance against certain risks, including certain liabilities for environmental pollution, may not be available to the Company or to other companies within the industry at reasonable terms or at all. In addition, the Company's insurance coverage may not continue to be available at commercially acceptable premiums, or at all. Any such event could have a material adverse effect on the Company's business.

Exploration and Development of Natural Resource Properties

There is no assurance that the exploration programs on the Company's current or future natural resource properties will result in the discovery of new resources or lead to the development of a commercially viable orebody.

The business of exploration for minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

The economics of developing gold, silver and base metal properties are affected by many factors including capital and operating costs, variations of the tonnage and grade of ore mined, and fluctuating mineral markets. Development projects are uncertain and it is possible that actual capital and operating costs and economic returns will differ significantly from those estimated for a project prior to production. The economic feasibility of development projects is based on many factors such as; estimation of mineral reserves, anticipated metallurgical recoveries, environmental considerations and permitting, future gold prices and anticipated capital and operating costs of these projects. The Back River Project has no operating history upon which to base estimates of future projection and cash operating costs. Particularly for development projects, estimates of Proven and Probable Mineral Reserves and cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates of metals from the ore, estimated operating costs, anticipated climactic conditions and other factors. As a result it is possible that actual capital and operating costs and economic returns will differ significantly from those currently estimated for a project prior to production.

Depending on the prices of gold, silver or base metals, the Company may determine that it is impractical to continue exploration or to commence development of a mineral property. Substantial expenditures are required to discover an orebody, to establish resources and reserves, to identify the appropriate metallurgical processes to extract metal from ore, and to develop the mining and processing facilities and infrastructure. The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately foreseen or predicted, such as market fluctuations and conditions for precious and base metals, the proximity and capacity of milling and smelting facilities, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection. In order to commence exploitation of certain properties presently held under exploration concessions, it is necessary for the Company to apply for an exploitation concession. There can be no guarantee that such a concession will be granted. Unsuccessful exploration or development programs could have a material adverse impact on the Company's operations and financial condition.

Uncertainty Relating to Production Estimates

The Company has prepared estimates of future production and future production costs for the Back River Project. No assurance can be given that production estimates will be achieved. These production estimates are based on, among other things: the accuracy of reserve estimates; the accuracy of assumptions; metallurgical characteristics; and the accuracy of estimated rates and costs of mining and processing. Actual production may vary from estimates for a variety of reasons, including, among other things: actual ore mined varying from estimates of grade, tonnage, dilution, metallurgical and other characteristics; short term operating factors relating to the ore reserves, such as the need for sequential development of ore bodies and the processing of new or different ore grades; risk and hazards associated with mining; natural phenomena, such as inclement weather conditions, underground floods, earthquakes, pit wall failures and cave-ins; and unexpected labour shortages or strikes. Failure to achieve production estimates could have an adverse impact on the future cash flows, earnings, results of operations and financial condition of the Company.

No History of Commercial Production and no Revenue from Operations

The Company has not commenced commercial production on any of its mineral resource properties. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There can be no assurance that significant losses will not occur in the near future or that the company will be profitable in the future. The company's operating expenses and capital expenditures may increase in the future as consultants, personnel and equipment costs associated with advancing exploration, development and commercial production of its properties increase. The company expects to continue to incur losses unless and until such time, if ever, it enters into commercial production and generates sufficient revenues to fund its continuing operations. The development of the Back River Project will require the commitment of substantial resources. There can be no assurance that the Company will generate any revenues. If the Company is unable to generate significant revenues at the Back River Project, it will not be able to earn profits or continue operations. The Company cannot provide investors with any assurance that it will ever develop a mine at the Back River Project.

Development of the Back River Project will be Subject to all of the Risks Associated with Establishing New Mining Operations

Development of the Back River Project will require the construction and operation of mines, processing plants and related infrastructure. As a result, the Company is and will continue to be subject to all of the risks associated with establishing new mining operations, including:

- the timing and cost, which can be considerable, of the construction of mining and processing facilities;
- the availability and cost of skilled labour, mining equipment and principal supplies needed for operations;
- the availability and cost of appropriate smelting and refining arrangements;
- the need to obtain and maintain necessary environmental and other governmental approvals and permits and the timing of the receipt of those approvals and permits;
- the availability of funds to finance construction and development activities;

- potential opposition from non-governmental organizations, First Nations, environmental groups, local groups or other stakeholders which may delay or prevent development activities; and

- potential increases in construction and operating costs due to changes in the cost of labour, fuel, power, materials and supplies.

The costs, timing and complexities of developing the Back River Project may be greater than anticipated because the majority of such property interests are not located in developed areas, and as a result, its property interests may not be served by appropriate road access, water and power supply and other support infrastructure. Cost estimates may increase as more detailed engineering work is completed on the Project. It is common in new mining operations to experience unexpected costs, problems and delays during construction, development and mine start-up. Accordingly, the Company cannot provide assurance that its activities will result in profitable mining operations at its mineral properties.

Economic and Political Instability may affect the Company's Business

The global economic environment has created market uncertainty and volatility in recent years. From mid-calendar 2008 until early 2009 there was a negative trend with regard to the market for metal commodities and related products as a result of global economic uncertainty, reduced confidence in financial markets, bank failures and credit availability concerns. Similar periods of instability in the market for metal commodities have been experienced since April 2013 and through to present day. These macro-economic events negatively affected the mining and minerals sectors in general, and the Company's market capitalization has been significantly reduced in periods of market instabilities. Many industries, including the mining industry, are impacted by these market conditions. Global financial conditions remain subject to sudden and rapid destabilizations in response to economic shocks. A slowdown in the financial markets or other economic conditions, including but not limited to consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's growth and profitability. Future economic shocks may be precipitated by a number of causes, including the ongoing European debt situation, a continued rise in the price of oil and other commodities, the volatility of metal prices, geopolitical instability, terrorism, the devaluation and volatility of global stock markets and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact the Company's ability to obtain equity or debt financing in the future on terms favorable to the Company or at all. In such an event, the Company's operations and financial condition could be adversely impacted.

There are no assurances with respect to the relative strength and stability of future metal markets. Although the Company remains financially strong, its liquidity and long term ability to raise the capital required to execute its business plans may be affected by market volatilities.

The Company's future profitability and the viability of development depends in part upon the world market price of gold, silver, and other metals such as lead, zinc and copper. Prices fluctuate widely and are affected by numerous factors beyond the Company's control. The price of gold and silver is influenced by factors including industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of gold, silver and other metals by producers and speculators as well as other global or regional political, social or economic events. The supply of gold, silver and other metals consists of a combination of new mine production and existing stocks held by

governments, producers, speculators and consumers, which could increase due to improved mining and production methods. Prices and availability of commodities consumed or used in connection with exploration and development and mining, such as natural gas, diesel, oil and electricity, also fluctuate, and these fluctuations affect the costs of production at various operations. These fluctuations can be unpredictable, can occur over short periods of time and may have a material adverse impact on the Company's operating costs or the timing and costs of various projects.

The Company assesses on a quarterly basis the carrying values of its mineral properties. Should market conditions and commodity prices worsen and persist in a worsened state for a prolonged period of time, an impairment of the Company's mineral properties may be required.

Transportation to the Back River Project is Limited and Risky

Due to the location of the Back River Project, there is presently no infrastructure available to explore or, if a production decision is ultimately made, develop or engage in production from the Project. As a result of the lack of infrastructure, access to the Back River Project is limited. The Access to the Project is also subject to seasonality constraints related to ocean access and winter road construction. Delays in construction and operations could result in missing particular site access timeframes. In connection with the sale of the Hackett River Project, the Company entered into an infrastructure access agreement which will provide it with the ability, on competitive commercial terms, to use the infrastructure built by Glencore for the Hackett River Project. However, no assurance can be given that either the Company's Back River Project or the Hackett River Project will be sufficiently commercially viable to support the capital cost of developing the necessary infrastructure.

The inability of the Company to secure the transportation necessary to support its current and proposed operations, including in respect of development at the Back River Project may have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Inadequate Infrastructure May Constrain Development and Mining Operations

Commercial production at the Back River Project depends on adequate infrastructure. In particular, reliable power sources, water supply, transportation and surface facilities are all necessary to develop and operate a mine. Failure to adequately meet these infrastructure requirements in a timely and cost effective manner could affect the Company's ability to commence or continue production at the Back River Project and could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Uncertainty of Funding

The Company has limited financial resources, and the exploration and development of the mineral properties in which the Company has an interest require substantial financial expenditures to be made by the Company.

There can be no assurance that adequate funding will be available to the Company so as to enable it to maintain its interests, conduct exploration activities and, if warranted, commence development of a mineral property. Further exploration work and development of the properties in which the Company has an interest depend upon the Company's ability to obtain financing through joint venturing of projects, debt financing, equity financing or other means. Failure to

obtain financing on a timely basis could cause the Company to forfeit all or parts of its interests in mineral properties or reduce or terminate its operations.

Precious and Base Metal Price Fluctuations

The ability of the Company to raise funds to continue exploration of the mineral properties in which it has an interest will be significantly affected by changes in the market prices of precious metals. In addition, although the Company no longer has direct exposure to base metal prices, such prices will significantly affect the manner in which Xstrata carries on exploration and, if warranted, development of the Hackett River Project. Prices for precious and base metals fluctuate on a daily basis, have historically been subject to wide fluctuations and are affected by numerous factors beyond the control of the Company such as the level of interest rates, the rate of inflation, central bank transactions, world supply of precious and base metals, foreign currency exchange rates, international investments, regulation of monetary systems, speculative activities, international economic conditions and political developments. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not being able to continue its planned exploration programs. Declining market prices for these metals could materially adversely affect the Company's operations and financial condition.

Passive Nature of Hackett River Project Royalty

The Hackett Royalty reserved by the Company on the Sold Properties represents an asset with substantial potential value. However, as a holder of a royalty interest, the Company will have no right to participate in the decision making process with respect to the future exploration and, if warranted, development of the Hackett River Project. Glencore is the world's largest zinc producer with the financial and other resources necessary to develop the Hackett River Project along with the infrastructure that will be required to conduct a major mining operation in Nunavut. In addition, the Hackett Agreement has provisions intended to create financial incentives for Glencore to incur significant exploration expenditures and to complete a feasibility study. If Glencore does not incur such expenditures or complete a feasibility study within the prescribed time periods, the Company has the right to repurchase the Sold Properties, subject to Glencore's right to pre-empt that right by paying the Company an advance royalty of $75 million in three annual $25 million instalments. However, notwithstanding these incentives, there can be no assurance as to if, or when, the Hackett River Project will be developed and if or when the Company will receive royalty payments therefrom.

Calculation of Reserves, Resources and Precious Metal Recoveries

There is a degree of uncertainty attributable to the calculation and estimates of reserves and resources and the corresponding metal grades to be mined and recovered. Until reserves or resources are actually mined and processed, the quantities of mineralization and metal grades must be considered as estimates only. Any material change in the quantity of mineral reserves, mineral resources, grades and recoveries may affect the economic viability of the Company's properties.

Government Regulation

The Company's exploration operations are, and any development activities which it conducts in the future will be, subject to extensive federal, provincial, territorial and local laws and regulations governing such matters as environmental protection, management and use of toxic substances and explosives, management of natural resources, health, exploration and

development of mines, production and post-closure reclamation, safety and labour, mining law reform, price controls, import and export laws, taxation, maintenance of claims, tenure, government royalties and expropriation of property. There is no assurance that future changes in such laws and regulations, if any, will not adversely affect the Company's operations. The activities of the Company require licenses and permits from various governmental authorities. The costs associated with compliance with these laws and regulations are substantial and possible future laws and regulations, changes to existing laws and regulations and more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expenses, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of its properties. Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety practices of the Company's past and current operations, or possibly even the actions of former property owners, and could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. The Company retains competent and well trained individuals and consultants in jurisdictions in which it does business. However, even with the application of considerable skill the Company may fail to comply with certain laws. Such events can lead to financial restatements, fines, penalties, and other material negative impacts on the Company.

Obtaining and Renewing of Government Permits

New mining projects in Nunavut are subject to environmental assessment and review prior to certification and issuance of permits to authorize construction and operations. The primary environmental review and approval process applicable to the Back River Project is the environmental assessment administered by the NIRB. The Company has received approval from NIRB and has obtained a project certificate needed to construct and operate the Back River Project. KIA administers the surface title to Inuit owned lands in the Kitikmeot region of Nunavut including surface rights over certain portions of the Back River Project. Sabina has secured the surface rights authorizing mine development and operations by way of the commercial leases in the FA.

The Company may be required to obtain and renew government licenses and permits from the KIA for activities beyond the term or outside the scope of existing authorizations. The company will require additional permits for the development, construction and commencement of any mining operations. Obtaining or renewing the necessary governmental permits is a time-consuming process involving numerous regulatory agencies and involving public hearings and costly undertakings on the Company's part. The duration and success of the Company's efforts to obtain and renew permits are contingent upon many variables not within its control including the interpretation of applicable requirements implemented by the permitting authority. The Company may no be able to obtain or renew permits that are necessary to its operations, or the cost to obtain or renew permits may exceed what the Company believes it can ultimately recover from a given property once in production. Any unexpected delays or costs associated with the permitting process could delay the development or impede the operation of a mine.

Environmental Factors

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance

that any future changes in environmental regulation, will not adversely affect the Company's operations. The costs of compliance with changes in government regulations have the potential to reduce the profitability of future operations. Environmental hazards that may have been caused by previous or existing owners or operators may exist on the Company's mineral properties, but are unknown to the Company.

Title to Assets

Although the Company has received title opinions for its material properties there is no guarantee that title to such properties will not be challenged or impugned. The Company's claims may be subject to prior unregistered agreements or transfers and title may be affected by unidentified or unknown defects. The Company has conducted an investigation on the title of properties that it has acquired to confirm that there are no other claims or agreements that could affect its title to the concessions or claims. If title to the Company's properties is disputed, it may result in the Company paying substantial costs to settle the dispute or clear title and could result in the loss of the property, which events may affect the economic viability of the Company.

Competitive Conditions

Significant competition exists for natural resource acquisition opportunities. As a result of this competition, some of which is with large, well established mining companies with substantial capabilities and significant financial and technical resources, the Company may be unable to either compete for or acquire rights to exploit additional attractive mining properties on terms it considers acceptable. There can be no assurance that the Company will be able to acquire any interest in additional projects that would yield resources or reserves or result in commercial mining operations.

Employee Recruitment and Retention

Recruiting and retaining qualified personnel is critical to the Company's success. The Company is dependent on the services of key executives including the Company's President and Chief Executive Officer and other experienced executives and personnel focused on managing the Company's interests. The number of persons skilled in acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, the Company will require additional key financial, administrative and mining personnel as well as additional operations staff. If the Company is not able to attract, hire and retain qualified personnel, its operations could be impaired.

Potential Conflicts of Interest

Reference is made to "Directors and Executive Officers – Conflicts of Interest" for information concerning potential conflicts of interest of the Company's directors and officers.

There is no assurance that the needs of the Company will receive priority in all cases. From time to time, several companies may participate together in the acquisition and exploration of natural resource properties, thereby allowing these companies to (i) participate in larger properties and programs, (ii) acquire an interest in a greater number of properties and programs, and (iii) reduce their financial exposure to any one property or program. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired, it is expected that the directors and officers of the Company will primarily

consider the degree of risk to which the Company may be exposed and its financial position at that time.

Information Systems Security Threats

The Company has entered into agreements with third parties for hardware, software, telecommunications and other information technology ("**IT**") services in connection with its operations. The Company's operations depend in part on how well the Company and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software to mitigate the risk of failures.

Any of these and other events could result in information loss, system failures, business interruptions and/or increases in capital expenses which could adversely impact the Company's reputation, business, financial condition and results of operations. Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that Sabina will not incur such losses in the futures. The Company's risk and exposure to these matters cannot fully be mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data, and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Negative Operating Cash Flow

The Company currently has a negative operating cash flow and may continue to have a negative operating cash flow for the foreseeable future. The Company's failure to achieve profitability and generate positive operating cash flows could have a material adverse effect on the Company's business, financial condition and operating results.

Risks Related to the Common Shares

Additional Funding Will be Required

The Company will require additional financing from external sources, such as joint ventures, debt financing or equity financing, in order to meet all of the Company's ongoing financial requirements relating to the exploration, development and operation of the Company's projects. and carry out the future development of the Back River Project and other projects. The success and the pricing of any such capital raising and/or debt financing will be dependent upon the prevailing market conditions at that time and upon the ability of a company with projects that are non-producing to attract significant amounts of debt and/or equity. There can be no assurance that such financing will be available to the Company or, if it is, that it will be offered on acceptable terms. If additional financing is raised through the issuance of equity or convertible debt securities of the Company, this may have a depressive effect on the price of the Company's securities and the interests of shareholders in the net assets of the Company may be diluted. Any failure by the Company to obtain required financing on acceptable terms could cause the Company to delay development of its material projects and could have a material adverse effect on the Company's financial condition, results of operations and liquidity.

Market Price of Common Shares

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many mineral exploration companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The price of the Common Shares is also significantly affected by short term changes in mineral prices or in the Company's financial condition or results of operations as reflected in its quarterly financial reports. Other factors unrelated to the Company's performance that may have an effect on the price of its Common Shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of the Common Shares; and the market price of the Common Shares and size of the Company's public float may limit the ability of some institutions to invest in the Company's securities. If an active market for the Common Shares does not continue, the liquidity of an investor's investment may be limited and the price of the Common Shares may decline. If an active market does not continue, investors may lose their entire investment in the Common Shares. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the long-term value of the Company.

Reliability of Financial Statements

In the preparation of financial statements, management may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the Company. Significant accounting details are described in more detail in the notes to the Company's annual consolidated financial statements for the year ended December 31, 2018. In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use and transactions are properly recorded and reported, the Company has implemented and continues to analyze its internal control systems for financial reporting. Although the Company believes its financial reporting and financial statements are prepared with reasonable safeguards to ensure reliability, it cannot provide absolute assurance in that regard.

Potential Dilution of Present and Prospective Shareholdings

In order to finance future operations and development efforts, the Company may raise funds through the issue of Common Shares or the issue of securities convertible into or exercisable for Common Shares. The Company cannot predict the size of future issues of Common Shares or the issue of securities convertible into or exercisable for Common Shares or the effect, if any, that future issues and sales of the Common Shares will have on the market price of the Common Shares. Any transaction involving the issue of previously unissued shares, or securities convertible into or exercisable for shares, would result in dilution, which may be substantial, to existing holders of shares.

Lack of Dividends

No dividends on the Common Shares have been paid to date. The Company currently plans to retain earnings and other cash resources, if any, for the future operation and development of its business. Payment of any future dividends, if any, will be at the discretion of the Board of

Directors after taking into account many factors, including the Company's operating results, financial condition, and current and anticipated cash needs.

Tax Uncertainty

Tax rates and methods of calculating tax in jurisdictions related to the Company's business may be subject to changes. The Company's interpretation of taxation law where it operates and as applied to its transactions and activities may be different than that of applicable tax authorities. As a result, tax treatment of certain operation, action or transactions may be challenged and reassessed by applicable tax authorities, which could result in adverse tax consequences for the Company, including additional taxes, penalties, interest and may also adversely affect the Company's ability to repatriate earnings and otherwise deploy its assets.

Passive Foreign Investment Company ("PFIC") and Potential Adverse Income Tax Consequences to US Shareholders

The Company was a PFIC for US federal income tax purposes during the fiscal year ended December 31, 2018 and we expect that we will be a PFIC in the current year and in future years. The determination of whether or not the Company is a PFIC is a factual determination dependent on a number of factors and cannot be made until the close of the applicable tax year and accordingly no assurances can be given regarding the Company's PFIC status for the current year or any future year. If the Company is a PFIC at any time during a US shareholders holding period, then certain potentially adverse tax consequences could apply to such US shareholders acquisition, ownership and disposition of common shares.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Company's ability to raise capital through future sales of Common Shares.

DIVIDENDS

No dividends on the Common Shares have been declared during the past three fiscal years ended December 31, 2018, December 31, 2017 and December 31, 2016. The Company has no present intention of paying dividends on its Common Shares as it anticipates that all available funds will be invested to finance further acquisition, exploration and development of its mineral properties.

DESCRIPTION OF CAPITAL STRUCTURE

The Company's authorized share capital consists of an unlimited number of Common Shares without par value. As at March 27, 2019, 288,721,373 Common Shares were issued and outstanding.

Shareholders are entitled to one vote for each Common Share held on all matters to be voted on by the shareholders. Each Common Share is equal to every other Common Share, is entitled to receive pro rata such dividends as may be declared by the board of directors out of funds legally available therefore and to participate equally on liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the Company's assets among the shareholders for the purpose of winding up its affairs after it has paid out its liabilities. Common Shares are not subject to call or assessment. There are no pre-emptive or

conversion rights attached to the Common Shares, and no provisions for redemption, purchase or cancellation, surrender, sinking fund or purchase fund.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares trade on the TSX under the symbol "SBB". The following table sets forth the price range and volume of shares traded on the TSX for the periods indicated of the most recently completed financial year.

Period	High (CAN$)	Low (CAN$)	Volume
December, 2018	1.52	1.17	5,338,838
November, 2018	1.52	1.31	3,913,020
October, 2018	1.55	1.13	5,897,628
September, 2018	1.53	1.11	4,282,686
August, 2018	1.53	1.11	4,645,468
July, 2018	1.67	1.43	1,907,612
June, 2018	1.67	1.51	3,267,334
May, 2018	1.78	1.58	2,651,037
April, 2018	1.82	1.50	3,221,835
March, 2018	1.90	1.48	4,648,905
February, 2018	2.02	1.56	12,981,456
January, 2018	2.35	1.94	7,155,630

Prior Sales

The following table provides certain information as of December 31, 2018 with respect to the outstanding securities of the Company that were issued during the most recently completed financial year and that are not listed on the TSX:

Date of Issuance	Number of Options Issued [(1)]	Exercise Price
January 3, 2018	2,120,000	$2.25
March 12, 2018	1,030,000	$1.71
June 6, 2018	100,000	$1.62
July 25, 2018	120,000	$1.51
November 13, 2018	200,000	$1.35
TOTAL OPTIONS ISSUED	**3,570,000**	

Date of Issuance	Number of Warrants Issued (1)	Exercise Price
August 2, 2018	4,000,000(1)	$1.93

Note:

(1) The warrants may not currently be exercised and are subject to vesting conditions. If the warrants vest, they may be exercised for 5 years after vesting, subject to an acceleration provision.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth certain information with respect to the current directors and executive officers of the Company:

Name and Residence	Current Position with the Company	Principal Occupation	Since
Walter Segsworth(1)(2)	Director, Chair of the Board	Retired Mining Executive	July 2015
D. Bruce McLeod(2) British Columbia, Canada	Director, President and Chief Executive Officer	President and Chief Executive Officer of Sabina	February 2015
David Fennell(2)(4) Nassau, Bahamas	Director	Corporate director	June 2009
Rick Howes(1)(2) Ontario, Canada	Director	Director, President and Chief Executive Officer Chairman, Dundee Precious Metals Inc., a mining company	June 2018
James N. Morton(3)(4) British Columbia, Canada	Director	Counsel (retired), Morton Law LLP, law firm	June 2008
Anthony P. Walsh(3)(4) British Columbia, Canada	Director	Retired mining executive	May 2008
Anna Stylianides(1)(3)	Director	Mining executive	March 2016
Leo Zhao(1)(4)	Director	Managing Director, Zhaojin International Mining, Executive Director, Zhaojin-Gravitas Mining Funds	February 2018
Elaine Bennett British Columbia, Canada	Chief Financial Officer, Vice-President, Finance	Chief Financial Officer of Sabina	September 2008
Nicole Hoeller British Columbia, Canada	Vice-President, Communications, Corporate Secretary	Corporate Secretary of Sabina and Executive Officer of Sabina	January 2008

Name and Residence	Current Position with the Company	Principal Occupation	Since
Matthew Pickard Toronto, Ontario	Vice-President, Environment & Sustainability	Executive Officer of Sabina	September 2013
Lello Galassi Spokane, USA	Vice-President, Project Development & Construction	Executive Officer of Sabina	March 2018
Angus Campbell British Columbia, Canada	Vice-President, Exploration	Executive Officer of Sabina	September 2012

Notes:
(1) Member of the Compensation Committee
(2) Member of the Health, Safety and Environment Committee
(3) Member of the Audit Committee
(4) Member of the Nominating & Governance Committee

The term of office of the directors expires at the beginning of the next annual general meeting or when their successors are elected or appointed.

The directors and officers of the Company beneficially own, directly or indirectly, or have control of or direction over an aggregate of 2,591,878 Common Shares of the Company, representing approximately .01% of the issued and outstanding Common Shares. Rick Howes is Chairman & CEO of DPM which holds 30,119,913 Common Shares and Leo Zhao is Managing Director of Zhaojin International Mining Co. Ltd. which holds 28,506,745 Common Shares that are not included in the foregoing number.

Biographical information regarding the directors and executive officers of the Company for the past five years is as follows:

Walter Segsworth, Director of the Company. Mr. Segsworth holds a BSc in Mining Engineering from Michigan Tech. He has over 45 years of experience in mining in Canada and overseas. Mr. Segsworth has served on the Boards of Directors of several mining companies including Westmin Resources, where he was President and Chief Executive Officer and Homestake Mining Company, where he was President and COO. He is currently lead independent Director of Pan American Silver and a Director of Gabriel Resources and Happy Creek Minerals. Mr. Segsworth is past Chairman of both the Mining Associations of BC and Canada and was named BC's Mining Person of the year in 1996.

D. Bruce McLeod, P.Eng, Director, President and Chief Executive Officer of the Company. Bruce McLeod is a Mining Engineer with over 30 years of experience in all areas of the mining industry. Most recently, he was the President & Chief Executive Officer of Mercator Minerals Ltd. Prior to that, he was the President, Chief Executive Officer and Director of Creston Moly Corp. as well as a founder of both Sherwood Copper Corp and Stornoway Diamond Corporation. He also served on the Board of Directors of Kaminak Gold Corporation (acquired by Goldcorp Inc.), Palmerejo Silver and Gold Corp (acquired by Coeur D'Alene Mines) and Ariane Gold (acquired by Cambior Inc.) and has been involved in numerous projects at various stages of development while with the Northair Group. Mr. McLeod was the co-recipient of AMEBC's EA Scholz Award for excellence in mine development in 2009 and primarily focuses on project development, strategic planning, and financing activities.

David Fennell, Director of the Company. David Fennell received a law degree from the University of Alberta in 1979. In 1983, he founded Golden Star Resources Ltd. During his term as president and CEO, Golden Star became a TSE 300 company and one of the largest and most successful exploration companies. In 1998, Mr. Fennell became chairman and CEO of Cambiex Explorations Ltd, which became Hope Bay Gold Corporation. He held this position through the merger of Hope Bay and Miramar Mining Corporation and remained as executive vice-chairman and director for the combined entity until its takeover by Newmont Mining Corporation in 2008. Mr. Fennell has been instrumental in the success of several resource companies. He is currently senior executive officer or director of a number of publicly-traded resource companies including Reunion Gold Corp., Highland Copper Company Inc., Major Drilling Group International Inc. and Torex Gold Resources Ltd.

Rick Howes, Director of the Company. Rick Howes is a Professional Mining Engineer with over 34 years of experience in the mining industry. His extensive industry experience includes progressive technical, operating, management and project roles in many of the largest underground mines and mining companies throughout Canada and, most recently, internationally. Throughout his career, Mr. Howes has been closely associated with the practices that make for world-class mining operations including Inco's North Mine which won the 2006 Ryan Award as the safest mine in Canada. He is a visionary leader in mining, organizational innovation and transformation to create competitive advantage. Mr. Howes joined Dundee Precious Metals Inc. in early 2009 as General Manager and Executive Director of the Chelopech mine and, in November 2010, was appointed Executive Vice President and Chief Operating Officer. In April 2013, he assumed the role of President and Chief Executive Officer of Dundee Precious Metals Inc.

James N. Morton, BA, LLB, Director of the Company. Mr. Morton was the founding partner of Morton Law, LLP, Corporate and Securities Lawyers of Vancouver, BC. Now retired, he has over 35 years' experience representing resource and other venture companies in effecting initial public offerings, equity financings, acquisitions, mergers and take-over transactions. He is the President and a director of Blackcomb Capital Corporation, a private investment holding company. Mr. Morton received a B.A. from the University of Western Ontario and an LLB from the University of British Columbia.

Anna Stylianides, Director of the Company. Ms. Stylianides has 25 years of experience in the global capital markets having spent much of her career in investment banking, private equity, and corporate management and restructuring. She began her career in corporate law by joining the firm of Webber Wentzel Attorneys in 1990 after graduating from the University of the Witwatersrand in Johannesburg, South Africa. In 1992 she joined Investec Merchant Bank Limited where she specialized in risk management and gained extensive experience in the areas of corporate finance and structured finance, mergers and acquisitions, specialized finance and other banking and financial services transactions. She was also involved in designing and structuring financial products for financial institutions and corporations. Since 1997, Ms. Stylianides has been a director of and has been engaged in the financial restructuring of certain Nasdaq publicly-traded companies and has extensive knowledge of Canadian and American securities regulations. Ms. Stylianides continues to work extensively with private equity investors in structuring transactions in the banking, construction and mining industries. Ms. Stylianides has numerous board appointments, and currently also serves as a director of Entrée Gold Inc, and Altius Minerals Corp.

Anthony P. Walsh, CPA, Director of the Company. Mr. Walsh graduated from Queen's University (Canada) in 1973 and became a member of The Canadian Institute of Chartered

Accountants in 1976. Mr. Walsh has over 30 years' experience in the field of exploration, mining and development. From 2008 to 2011, Mr. Walsh was President & Chief Executive Officer and a Director of Sabina Gold & Silver Corp. (he retired in 2011). From 1999 to 2007, Mr. Walsh was President and Chief Executive Officer of Miramar, from 1995–1999, Mr. Walsh was Vice President Finance and Chief Financial Officer of Miramar, from 1993 to 1995 was the Senior Vice-President and Chief Financial Officer of a computer leasing company and from 1989 to 1992 was Chief Financial Officer and Senior Vice-President, Finance of International Corona Resources Ltd., a gold producer.

Leo Zhao, Director of the Company, Mr. Zhao has more than 17 years of experience in global mining investment and EPC project management in China, Canada, Australia, Kazakhstan, Vietnam, Indonesia and Middle East. He is currently the Managing Director of Zhaojin International Mining Co., Ltd, wholly owned by Zhaojin Mining Industry Co., the fourth largest gold mining company listed on Hong Kong Stock Exchange. He is also the executive director in Zhaojin-Gravitas Mining Funds which was established in Canada. Prior to joining Zhaojin, he served as a project manager for the China National Nonferrous Industry Foreign Engineering & Construction Company (NFC) working in various countries and was nominated as alternative director in Terramin Australia Ltd between 2010 and 2014. Mr. Zhao received Bachelor Degree in International Project Management from Tianjin University in 2000 and MBA diploma in Tsinghua University, China, in 2007. He holds a PMP certificate issued by PMI.

Elaine Bennett, **CPA**, Chief Financial Officer and Vice-President, Finance of the Company. Ms. Bennett brings to the Company over 30 years of experience in the mining industry to the Company. Prior to September 2008, she was Chief Financial Officer of Miramar. Ms. Bennett serves as a director on the board of Avala Resources Ltd., and has served as director on the board of Bear Lake Gold Ltd., and Dunav Resources, all Canadian gold exploration companies.

Nicole Hoeller, Vice-President, Communications and Corporate Secretary of the Company. Prior to January 2008, Ms. Hoeller was Director, IR for Miramar. Along with her over 22 years of experience in investor relations and communications in the industry, Ms. Hoeller has also spent extensive time traveling in the Arctic, liaising and consulting with communities, Inuit organizations and all levels of government about the benefits and impacts of mining in Canada's North.

Angus Campbell, Vice-President, Exploration of the Company. With over 25 years of industry experience, Angus has a strong and varied background in global mineral exploration. Prior to joining Sabina, he was Exploration Manager for Chile with BHP Billiton based in Santiago. He has a broad range of experience in green field and brown field exploration initiatives and projects. As well, he holds a deep understanding of diverse cultural and team environments, large project management, project generation, opportunity evaluation, partner alliances and JV's and equity deals. He also has broad exposure to managing health and safety, commercial risk and due diligence issues. Angus was a member of the Spence deposit discovery team, honoured by winning the PDAC Bill Denis Award in 1998.

Matthew Pickard, Vice-President, Environment and Sustainability of the Company. Matthew Pickard is a Professional Geoscientist with significant experience in sustainability and mine development within the Canadian mining industry. Matthew holds an Honours Bachelor of Science and Masters of Business Administration, both from Laurentian University. He also retains the designation of Professional Geoscientist, Canadian Registered Safety Professional and Certified Environmental Practitioner. During his career, Matthew has spent time with Falconbridge, De Beers Canada, Baffinland Iron Mines and now Sabina. He has worked

throughout Canada including projects in Ontario, Alberta, Saskatchewan, Manitoba, Quebec, and the Northwest Territories, but recently has been focused on Nunavut. As Vice President of Environment & Sustainability for Sabina, Matthew is directing the permitting of future mining developments in Nunavut.

Lello Galassi, Vice-President, Project Development & Construction Mr. Galassi is a retired US Air Force Officer and Engineer with extensive experience in systems development, acquisition and project management and construction in leading greenfield mining projects in remote areas of the world. His breadth of knowledge and capacity ranges from multi-million to multi-billion-dollar projects and includes development and construction management roles on Phelps Dodge's Tenke Fungurume copper and cobalt mine in the DRC, Rio Tinto's Iron Ore Expansion Projects in NW Australia, Rio Tinto's $18 billion African Guinea Simandou Iron Ore project, the construction of Guyana Goldfields Aurora Gold Mine and most recently, prior to Sabina, the Phoenix Projects, a combination of brownfield and greenfield projects in Barcelona, Spain.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as disclosed herein, to the best of Sabina's knowledge, no director or executive officer of the Company is, or during the ten years preceding the date of this AIF has been, a director or chief executive officer or chief financial officer of any company that:

(a) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or

(b) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, which resulted from an event that occurred while that person was acting in the capacity as director or chief executive officer or chief financial officer.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, or during the ten years preceding the date of this AIF has been, a director or executive officer of any company 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 was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 that person.

No director, executive officer or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is or has:

(a) been subject to 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

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

D. Bruce McLeod was a director and officer of each of Mercator Minerals Ltd. and its wholly-owned subsidiary, Creston Moly Corp. (together, the "**Companies**"), when the Companies filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") on August 26, 2014. Mr. McLeod ceased to be a director and officer of each of the Companies on September 4, 2014. Pursuant to section 50.4(8) of the BIA, the Companies were deemed to have filed assignments in bankruptcy on September 5, 2014.

Bruce McLeod was a President, CEO and a director of Mercator Minerals Ltd. ("**Mercator**") when it negotiated and the SEC issued an order on November 8, 2011 revoking Mercator's registration under the U.S. Exchange Act. In early 1998, Mercator, through its then management, filed a registration statement under the U.S. Exchange Act with the SEC which became effective in 1998 without further action by Mercator. Mercator's subsequent management and directors (including Mr. Bruce McLeod) were not aware that the registration statement had become effective and accordingly no further filings were made with the SEC. In June 2011, Mercator received notice from the SEC advising that its registration statement had become effective in 1998 and was delinquent in its SEC filings. As Mercator was unable to make the requisite filings for the period from 1998 to 2011, Mercator negotiated with the SEC and on November 8, 2011 an order was issued by the SEC under section 12G of the U.S. Exchange Act revoking Mercator's registration. The 12G order restricted members of a national securities exchange, broker or dealer from effecting any transaction in or inducing the purchase or sale of Mercator's shares in the United States. On November 8, 2011, Mercator filed a Form 40-F registration statement under the U.S. Exchange Act with the SEC, which became effective on January 9, 2012, in order to remove the restrictions on market participants under the section 12G order so that trading in Mercator's shares in the United States could resume.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises, a director who has such a conflict will be required to disclose the conflict in accordance with applicable corporate law and to abstain from voting for or against the approval of such participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties, thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with applicable corporate law, the directors of the Company are required to act honestly and in good faith with a view to the best interests of the Company.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings to which the Company is or was a party, or to which any of its property is or was the subject of, during the financial year, and, to the best of the Company's knowledge, no such proceedings are contemplated.

There have been no penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the financial year and there have been no other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision. The Company has not entered into any settlement agreement before a court relating to securities legislation or with a securities regulatory authority during the financial year.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set forth herein, none of the following:

(a) director or executive officer of the Company;

(b) person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares; or

(c) associate or affiliate of any of the persons or companies referred to in the above paragraphs (a) or (b),

has, to the best of the Company's knowledge, any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1. The registers of transfer for the Common Shares are located in Toronto, Ontario and Vancouver, British Columbia.

MATERIAL CONTRACTS

The following are the material contracts entered into by Sabina since January 1, 2002 that are still in effect, other than material contracts entered into in the ordinary course of business (unless otherwise required to be disclosed):

1. The Back River Agreement dated March 27, 2009 referred to under "Acquisition of the Back River Assets".

2. The Equity Participation Agreement dated June 9, 2009 referred to under "Acquisition of the Back River Assets".

3. The Hackett Agreement made as of June 1, 2011 referred to under "Sale of the Hackett River Project".

4. The Royalty Agreement made as of October 3, 2011 referred to under "Sale of the Hackett River Project".

5. The Shareholder Agreement made as of December 19, 2017 between Zhaojin International Mining Co. Ltd and the Company.

6. The Framework Agreement made as of April 20, 2018 between Kitikmeot Inuit Association and the Company.

INTERESTS OF EXPERTS

The following persons and firms are named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made by the Company under National Instrument 51-102 Continuous Disclosure Obligations during or relating to the Company's most recently completed financial year and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or Company.

1. KPMG LLP is the external auditor of the Company and provided an auditor's report on the audited financial statements of the Company for the year ended December 31, 2017, filed on SEDAR on March 13, 2018. KPMG LLP have confirmed that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

2. The following experts are names as having been involved in the preparation of the IFS Report:

Qualified Person, Designation	**Company**	**QP Responsibility/Role**
Gord Doerksen, P.Eng.	JDS Energy & Mining Inc.	Executive Summary, Introduction, Reliance on Other Experts, Under UG Reserves, UG Mining, Infrastructure, Market Studies, Capex, Opex, Economic Analysis, Environmental, Other Relevant Data, Interpretations, Recommendations, References, Abbreviations
Dino Pilotto, P.Eng.	JDS Energy & Mining Inc.	OP Reserves, OP Mining Methods, Overall Production Schedule
Andrew Fowler, MAusIMM, CP (Geo)	AMC Consultants Pty Ltd.	Mineral Resource Estimates for George
Dinara Nussipakynova, P.Geo	AMC Mining Consultants (Canada) Ltd.	Mineral Resource Estimates for Goose
John Morton Shannon, P.Geo	AMC Mining Consultants (Canada) Ltd.	Property Description, Accessibility, History, Geology, Deposits, Exploration, Drilling, Sample Preparation, Data Verification, Adjacent Properties
Maritz Rykaart, P.Eng.	SRK Consulting (Canada) Inc.	Geochemistry, Tailings Management, Water Management

Qualified Person, Designation	Company	QP Responsibility/Role
Stacy Freudigmann, P.Eng.	Canenco Canada Inc.	Metallurgy, Recoveries, Process
Rob Mercer, Ph.D., P.Eng.	Knight Piésold Ltd.	Geomechanical

3. The following experts are named as having been involved in the preparation of the Hackett River Report: S.G. Clemmer, P.Geo., Sabina Gold & Silver Corp; Aline Côté, P.Geo., Glencore; J.M. Shannon, P.Geo. and A. Riles, M.AIG.

4. Certain scientific and technical disclosure information in this AIF has been approved by James Maxwell, P.Geo, Exploration Manager for the Company and Jeff Eng, Director of Engineering both Qualified Persons (as defined by National Instrument 43-101)

Except as set out in this AIF, the experts named above did not have any registered or, to the best of the Company's knowledge, beneficial interest, direct or indirect, in any securities or other property of the Company or its associates or affiliates when the experts prepared their respective reports. James Maxwell and Jeff Eng each hold Common Shares representing less than one percent of the outstanding Common Shares as at March 27, 2019.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company's Information Circular pertaining to its most recent Annual General Meeting of security holders that involves the election of directors. Additional financial information is provided in the Company's financial statements and management discussion and analysis for its most recently completed financial period ended December 31, 2018.

AUDIT COMMITTEE

1. The Audit Committee's Charter

The Company's Audit Committee Charter is attached to this AIF as Schedule "A".

2. Composition of the Audit Committee

The Company's audit committee is comprised of three directors: Anthony P. Walsh, Anna Stylianides and James N. Morton. All three directors are "independent" (as defined in National Instrument 52-110 Audit Committees ("**NI 52-110**"). All of the members of the audit committee are financially literate, meaning that they are able to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to those that can reasonably be expected to be raised by the Company's financial statements.

3. Relevant Education and Experience

Please refer to page 74 of this AIF for particulars in respect of the relevant education and experience of Anthony Walsh, Anna Stylianides and James Morton.

4. Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in section 2.4, section 3.2, section 3.4, section 3.5 or granted under Part 8 of NI 52-110.

5. Reliance on the Exemption in Subsection 3.3(2) or Section 3.6

At no time since the commencement of the Company's most recently completed financial year has the Company relied upon the exemption in subsection 3.3(2) or section 3.6 of NI 52-110.

6. Reliance on Section 3.8

At no time since the commencement of the Company's most recently completed financial year has the Company relied upon section 3.8 of NI 52-110.

7. Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year, has a recommendation of the Committee to nominate or compensate an external auditor not been adopted by the Board or Directors.

8. Pre-Approval Policies and Procedures

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company's Board of Directors and, where applicable, by the audit committee, on a case-by-case basis.

9. External Auditor Service Fees (By Category)

Set forth below are details of certain services billed to the Company by its external auditor in each of the last two fiscal years for audit services:

Financial Year End	Audit Fees[(1)]	Audit-Related Fees	Tax Fees[(2)]	All Other Fees
2018	$155,325	$nil	$39,781	$nil
2017	$72,248	$nil	$31,322	$nil

Notes:
(1) The increase in 2018 Audit Fees resulted from additional interim review fees and advisory services related to prospectus filings
(2) Tax compliance and general tax advisory services

SCHEDULE "A"
AUDIT COMMITTEE CHARTER

PURPOSE

The purpose of the Audit Committee will be to:

- Provide independent review and oversight of the Company's financial reporting process and continuous disclosure risks.
- Management of the audit process including selection recommendation, oversight and compensation of the Company's external auditors.
- Provide oversight of the company's risk management, its principal business risks and its internal control of financial reporting
- Carry out oversight responsibilities respecting compliance with tax, securities and other applicable laws and regulations as well as the whistle-blower policy;

COMPOSITION

The Committee will be comprised of a minimum of three directors as designated by the Board of directors.

Each Committee member shall be elected annually from among Board members at the first Board meeting following the annual general meeting of shareholders or at such other time as the Board may determine. Following such election each Committee member shall hold office for the ensuing year or until the member resigns, is removed by the Board or ceases to be a Director. The Board may at any time change the composition of the Committee by adding or removing members and may fill a vacancy when a Committee member resigns, is removed or for any other reason.

Each Committee member shall be independent as determined by the Board and in accordance with governing corporate and securities laws and applicable stock exchange standards.

All members of the Committee shall be financially literate within the meaning of the applicable securities laws. At least one member of the Committee shall be financially sophisticated which could include a professional accounting designation or past experience in accounting or finance.

The Board shall appoint the Committee Chair and the Secretary of the Company shall be the Committee Secretary.

MEETINGS

1. The Committee will meet as frequently as necessary as determined by the Committee Members and Committee Chair in order to fill the responsibilities described below and in any event at least 4 times per year.

2. A quorum for a meeting of the Committee shall be a majority of Committee members. No Committee meeting shall be duly constituted and no Committee business shall be transacted at a meeting unless a majority of the members of the Committee are present. The Committee may also act by unanimous written consent of each of its members.

3. Meeting Agendas will be prepared by the Chair and provided in advance to Committee members along with appropriate briefing materials.

4. The Chief Executive Officer shall be available to advise the Committee, shall receive notice of all Committee Meetings and may attend meetings at the invitation of the Committee Chair. Any Company Director may attend meetings at the Chair's invitation but may not vote and may not be included for the purposes of quorum requirement.

5. The proceedings at the Committee meetings will be recorded in minutes of the Committee and after each meeting, the Committee Chair shall report at the Board's next meeting or otherwise respecting the matters discussed, recommendations and resolutions made and actions taken at the Committee meeting.

6. The Committee may make such procedures and rules as it deems appropriate including rules relating to the holding of meetings in person, by telephone or, if consented to by other Committee members, through the use of any other communication medium which allows all members attending the meeting to hear each other.

7. The Committee may engage outside consultants to advice in matters relating to its mandate at the Company's expense, without the prior approval of the directors of the Company and after consultation with CEO.

CHAIR

The Chair of the Committee shall have the duties and responsibilities set forth the Company's Position Description for Committee Chairs.

RESPONSIBILITIES AND DUTIES

The Committee shall have the following responsibilities:

1. Review and update the Charter periodically.

2. Oversight of the Company's financial reporting process and continuous disclosure.

    - Review the Company's annual and quarterly financial statements and accompanying MD&A;
    - Review the annual budget process and adherence thereto;
    - Review the financial plan; and
    - Monitor financial information that is disseminated to the public or regulatory bodies.

3. Oversight of risk management and control.

    - Identify the principal business risks to the company;
    - Monitor financial statement risk;
    - Monitor the Company's investment policy; and

- Monitor and review the company's risk management plan and cybersecurity.

4. Oversight of external audit activities

   - Review annually the performance of the external auditors;
   - Review and approve the Audit Plan and Engagement Letter as presented by the external auditors;
   - Confirm the independence of external auditors;
   - Meet with external auditors to review the results of the annual audit;
   - Review the compensation of external auditors;
   - Be advised of and approve any non-audit services provided by external auditors; and
   - Recommend to the Board the selection, and where applicable, the replacement of the external auditors nominated annually for shareholder approval.

5. Oversight of other responsibilities

   - Monitor compliance with tax and securities laws and regulations
   - Manage the Whistle Blowing function

Original Approval	2012
Last Review	2018
Approved by	Audit Committee

AUDIT COMMITTEE CHAIR – POSITION DESCRIPTION

The Chair of the Committee shall be principally responsible for overseeing the operations and affairs of the Committee and, in particular, will:

1. Schedule and settle the agenda for Committee meetings with input from other Committee members, the Chair of the Board of directors and management as appropriate;

2. Facilitate the timely, accurate and proper flow of information to and from the Committee and the Board;

3. Chair Committee meetings, including stimulating debate, providing adequate time for discussion of issues, facilitating consensus, encouraging full participation and discussion by individual members and confirming the clarity regarding decision making is reached and adequately recorded;

4. Hold in-camera sessions as part of Committee meetings;

5. Ensure that an appropriate system is in place to assess the performance of the Committee as a whole, the Committee's individual members and make recommendations for changes when appropriate;

6. Carry out such other duties as may reasonably be requested by the Board.