



Condensed Consolidated Interim Financial Statements
(unaudited)

Quarters Ended March 31, 2022 and 2021

SABINA GOLD & SILVER CORP.

Condensed Consolidated Interim Statements of Financial Position
(unaudited)
(Expressed in thousands of Canadian dollars)

	March 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 181,364	\$ 25,571
Restricted cash (note 7(a))	1,740	-
Short-term investments	40,000	-
Accounts receivable	1,650	526
Exploration supplies	6,299	5,647
Prepaid expenses and deposits	3,148	578
	<u>234,201</u>	<u>32,322</u>
Marketable securities	558	64
Property and equipment (note 3)	180,108	155,134
Mineral properties (note 4)	422,045	408,399
Hackett silver royalty	34,754	34,754
Other assets (note 5)	15,142	13,304
Total assets	\$ 886,808	\$ 643,977
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 24,858	\$ 9,992
Flow-through share premium liability (note 9)	-	1,896
Current portion of lease obligations	426	425
Current portion of loan obligations (note 6)	28,513	28,733
	<u>53,797</u>	<u>41,046</u>
Community funding obligation	2,073	2,072
Lease obligations	75	186
Loan obligations (note 6)	8,970	9,966
Provision for site reclamation	5,134	5,134
Deferred income tax liability (note 11)	35,679	37,029
Total liabilities	105,728	95,433
Equity:		
Share capital (note 7)	858,626	621,249
Contributed surplus	30,710	30,181
Deficit	(108,256)	(102,886)
Total equity	781,080	548,544
Total liabilities and equity	\$ 886,808	\$ 643,977

Nature of operations (note 1)
Subsequent event (note 6)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Approved on behalf of the Board:

"Bruce McLeod" Director

"Tony Walsh" Director

SABINA GOLD & SILVER CORP.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(unaudited)

(Expressed in thousands of Canadian dollars, except share and per share amounts)

	Three months ended March 31,	
	2022	2021
Expenses:		
Administration and general	\$ 176	\$ 193
Depreciation	114	114
Insurance	147	55
Listing, transfer and shareholder	522	320
Professional services	4,418	253
Salaries	564	532
Share-based payments (note 8)	744	399
Travel	6	-
	<u>6,691</u>	<u>1,866</u>
Loss from operating activities	(6,691)	(1,866)
Net finance income:		
Interest income	84	51
Interest expense	(628)	-
Standby fees (note 7(b))	(401)	-
Amortization of flow-through premium (note 9)	1,896	406
Unrealized loss on change in fair value of marketable securities	142	(19)
Gain on the disposition of assets	372	87
Foreign exchange gain	449	-
	<u>1,914</u>	<u>525</u>
Loss before income taxes	(4,777)	(1,341)
Deferred income tax expense (note 11)	(593)	(40)
Loss and comprehensive loss for the period	<u>\$ (5,370)</u>	<u>\$ (1,381)</u>
Loss per share, basic and diluted	\$ (0.01)	\$ (0.00)
Weighted average number of common shares outstanding	<u>396,615,524</u>	<u>330,143,790</u>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

SABINA GOLD & SILVER CORP.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(unaudited)

(Expressed in thousands of Canadian dollars)

	Three months ended March 31,	
	2022	2021
Share capital:		
Balance, beginning of period	\$ 621,249	\$ 570,462
Shares issued for cash	241,907	39,230
Share issue costs	(7,197)	(2,106)
Stock options exercised for cash	252	-
Fair value of options transferred to share capital	472	805
Deferred income tax effect of share issuance costs	1,943	569
Balance, end of period	858,626	608,960
Contributed surplus:		
Balance, beginning of period	30,181	29,014
Fair value of share-based payments included in operating expenses	744	399
Fair value of share-based payments capitalized to mineral properties	257	280
Fair value of options transferred to share capital	(472)	(805)
Balance, end of period	30,710	28,888
Deficit:		
Balance, beginning of period	(102,886)	(94,857)
Loss for the period	(5,370)	(1,381)
Balance, end of period	(108,256)	(96,238)
Total equity	\$ 781,080	\$ 541,610

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

SABINA GOLD & SILVER CORP.

Condensed Consolidated Interim Statements of Cash Flows

(unaudited)

(Expressed in thousands of Canadian dollars)

	Three months ended March 31,	
	2022	2021
Cash flows provided by (used in) operating activities:		
Loss for the period	(5,370)	(1,381)
Adjustments for:		
Depreciation	114	114
Deferred income tax expense	593	40
Net interest expense (income)	544	(51)
Unrealized foreign exchange (gain)	(487)	-
Unrealized (gain) loss on change in fair value of marketable securities	(142)	19
Gain on disposition of assets	(372)	(87)
Amortization of flow-through premium liability	(1,896)	(406)
Share-based payments	744	399
	(6,272)	(1,353)
Accounts receivable	(1,541)	1
Exploration supplies	(652)	(548)
Prepaid expenses and deposits	(2,570)	4
Accounts payable and accrued liabilities	1,291	(952)
	(9,744)	(2,848)
Net interest (paid) received	(127)	57
Net cash used in operating activities	(9,871)	(2,791)
Cash flows provided by (used in) investing activities:		
Expenditures on deferred exploration	(12,135)	(3,685)
Expenditures on property and equipment	(12,761)	(1,341)
Community funding deposit account (note 5)	(1)	(2)
Reclamation deposits (note 5)	(1,854)	(2,140)
Net (purchases) proceeds of short-term investments	(40,000)	6,000
Proceeds on disposition of assets	20	-
Net cash used in investing activities	(66,731)	(1,168)
Cash flows provided by (used in) financing activities:		
Shares issued, net of share issue costs (note 7)	234,962	37,124
Lease obligation payments	(110)	(98)
Loan obligation payments (note 6)	(717)	-
Restricted cash (note 7(a))	(1,740)	-
Net cash provided by financing activities	232,395	37,026
Net increase in cash and cash equivalents	155,793	33,067
Cash and cash equivalents, beginning of period	25,571	23,986
Cash and cash equivalents, end of period	181,364	57,053

Supplemental cash flow information (note 12)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

SABINA GOLD & SILVER CORP.

Notes to Condensed Consolidated Interim Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, except for share amounts)

For the three months ended March 31, 2022 and 2021

1. Nature of operations

Sabina Gold & Silver Corp. (the "Company" or "Sabina") was incorporated in June 1966 under the laws of the Province of British Columbia. On October 28, 2009 the Company changed its name from Sabina Silver Corporation to Sabina Gold & Silver Corp. The Company's principal business activity is the exploration and development of mineral property interests. The Company's principal assets are the Back River gold project ("Back River Project") and its silver royalty on the Hackett River project, both of which are located in Nunavut, Canada.

The financial statements have been prepared on a going concern basis with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Management has forecasted its cash requirements for the next twelve months and based on its operating cash requirements, required flow through spending and current debt obligations, the Company has sufficient funds to execute the Company's operating and construction plan beyond the end of the next twelve months. Furthermore, completion of the project financing during Q1 2022 (noted 7(b)) is anticipated to provide the Company sufficient funds to execute its construction plan to build the Goose Mine.

The Company has completed a feasibility study for the Goose Mine at its Back River Project, which demonstrates positive economics and has advanced the environmental assessment on the project. The underlying value and the recoverability of the amounts recorded as mineral properties and silver royalty are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral properties, and future profitable production or proceeds from the disposition of the mineral property interest.

The Company may experience continuing and additional business interruptions, expenses and delays relating to COVID-19, which could have a material adverse impact on the Company's business, operating results, financial condition and the market for its securities. As at the date of these financial statements, the duration of the business disruptions and related financial impact of COVID-19 cannot be reasonably estimated.

2. Basis of preparation

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements (IAS 34, Interim Financial Statements) and do not contain all the information required for annual financial statements. These interim financial statements follow the same accounting policies and methods of application of the most recent annual audited financial statements. Accordingly, they should be read in conjunction with the most recent annual audited financial statements of the Company.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on May 6, 2022.

b) Basis of measurement and consolidation

These condensed consolidated interim financial statements include the financial results of Sabina and its wholly owned subsidiary, Sabina Back River Ltd. All significant intercompany balances and transactions are eliminated on consolidation.

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for financial instruments classified as fair value through profit or loss financial assets, being marketable securities, and share-based compensation, which are measured at fair value, and provision for site reclamation, which is recorded at management's best estimate of the present value of costs to be incurred in the future. Additionally, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

SABINA GOLD & SILVER CORP.

Notes to Condensed Consolidated Interim Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, except for share amounts)

For the three months ended March 31, 2022 and 2021

c) Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional currency. All tabular financial information presented in Canadian dollars has been rounded to the nearest thousand.

d) Use of estimates and judgments

The preparation of these condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Significant judgment is applied in the determination of the Company's ability to continue as a going concern and in assessing if there are indicators of impairment with respect to its mineral properties and associated property and equipment and the Hackett silver royalty. Significant areas requiring the use of management estimates relates to the determination of the recoverable amount of an asset if an impairment indicator exists, the provision for site reclamation, and share-based payments (note 7). Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future periods affected.

e) New accounting standards

There were no new or amended IFRS pronouncements effective January 1, 2022 that impacted the Company's interim financial statements.

3. Property and equipment

Cost	Pre-development infrastructure and equipment	Exploration camp and equipment	Office and equipment	Total
Balance at January 1, 2022	\$ 165,219	\$ 24,776	\$ 2,283	\$ 192,278
Additions	26,734	-	-	26,734
Balance at March 31, 2022	\$ 191,953	\$ 24,776	\$ 2,283	\$ 219,012
Accumulated depreciation				
Balance at January 1, 2022	\$ (13,372)	\$ (22,301)	\$ (1,471)	\$ (37,144)
Current depreciation	(1,559)	(87)	(114)	(1,760)
Balance at March 31, 2022	\$ (14,931)	\$ (22,388)	\$ (1,585)	\$ (38,904)
Carrying value				
At January 1, 2022	\$ 151,847	\$ 2,475	\$ 812	\$ 155,134
At March 31, 2022	\$ 177,022	\$ 2,388	\$ 698	\$ 180,108

4. Mineral properties

The following is a summary of cumulative exploration and evaluation costs incurred:

Summary - by property	March 31, 2022	December 31, 2021
Back River (Nunavut)	\$ 417,357	\$ 403,711
Wishbone (Nunavut)	4,688	4,688
	\$ 422,045	\$ 408,399

SABINA GOLD & SILVER CORP.

Notes to Condensed Consolidated Interim Financial Statements
(Tabular amounts expressed in thousands of Canadian dollars, except for share amounts)

For the three months ended March 31, 2022 and 2021

The following is a detailed continuity of cumulative exploration and evaluation costs incurred at Back River:

	Three months ended	
	March 31, 2022	March 31, 2021
Back River (Nunavut)		
Balance, beginning of period	\$ 403,711	\$ 373,764
Additions:		
Surface access rights	647	1
Drilling and camp support	992	669
Detailed engineering and pre-development activities	10,898	2,557
Environmental and permitting	508	216
Geology and geophysics	129	149
Management and administration	116	48
Property maintenance	12	11
Share-based payments (note 8)	257	280
Depreciation	87	116
	13,646	4,047
Balance, end of period	\$ 417,357	\$ 377,811

5. Other assets

	March 31, 2022	December 31, 2021
Reclamation deposits	\$ 11,687	\$ 9,834
Community funding deposit account	2,073	2,072
Deposits on equipment financing loans	1,157	1,173
Deposits to secure corporate credit card facility	225	225
	\$ 15,142	\$ 13,304

During the three months ended March 31, 2022, the Company increased its reclamation deposits by \$1.9 million (2021 - \$2.1 million).

6. Loan obligations

The Company financed certain pre-development activities and mobile equipment with the combination of a senior secured facility and equipment financing loans. Details are as follows:

	Senior secured facility	Equipment financing loans	Total
Balance at January 1, 2022	\$ 25,356	\$ 13,343	\$ 38,699
Principal payments	-	(717)	(717)
Effect of foreign exchange	(364)	(135)	(499)
Balance at March 31, 2022	\$ 24,992	\$ 12,491	\$ 37,483
Current portion	24,992	3,521	28,513
Non-current portion	-	8,970	8,970
Balance at March 31, 2022	\$ 24,992	\$ 12,491	\$ 37,483

On August 30, 2021, Sabina entered a US\$20 million senior secured credit facility (the "Facility"), which was funded with an advance of US\$20 million on September 17, 2021. The Facility has a term of one year and bears interest at a fixed rate of 5.25%, with the principal and capitalized interest due in full any time before or on the earlier of the maturity date (September 17, 2022) and the closing date of certain future non-equity financings. The Facility has a minimum nine-months interest payable on termination. The loan is secured by most of the Company's assets, excluding Hackett, Wishbone and Red Lake as well as the equipment acquired under financing loans. On May 6, 2022, Sabina repaid the Facility with a payment of US\$20.8 million, which was inclusive of the minimum nine-months interest that was payable on early repayment.

SABINA GOLD & SILVER CORP.

Notes to Condensed Consolidated Interim Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, except for share amounts)

For the three months ended March 31, 2022 and 2021

7. Share capital and other components of equity

At March 31, 2022, the authorized share capital of the Company was comprised of an unlimited number of common shares without par value. The number of issued and outstanding common shares is as follows:

	2022		2021	
	# of shares	\$	# of shares	\$
Issued and outstanding as at January 1	356,333,336	621,249	326,564,790	570,462
Shares issued for cash	170,380,132	241,907	20,117,640	39,230
Share issue costs	-	(7,197)	-	(2,106)
Issued on exercise of stock options	254,563	252	1,177,878	-
Fair value of options exercised	-	472	-	805
Deferred income tax effect of share issue costs	-	1,943	-	569
Issued and outstanding at March 31	526,968,031	858,626	347,860,308	608,960

a) Equity issuances

The first tranche of the Orion and Wheaton financings (note 7(b)) closed on February 11, 2022, resulting in the issuance of 46,209,769 common shares of the Company to Orion and 12,322,605 common shares of the Company to Wheaton for gross proceeds of \$76.1 million.

The second tranche of the Orion and Wheaton financings closed on March 7, 2022, resulting in the issuance of 16,905,354 common shares of the Company to Orion and 4,508,094 common shares of the Company to Wheaton for gross proceeds of \$27.8 million.

The first tranche of Zhaojin's financing closed on March 7, 2022, resulting in the issuance of 8,784,310 common shares of the Company resulting in gross proceeds of \$11.4 million. Zhaojin's payment to Sabina in March 2022 included the additional cash of \$1.7 million representing Zhaojin's funding for the second tranche. Given that shareholder approval is required for the second tranche, this \$1.7 million is classified as restricted cash.

On March 30, 2022, the Company completed a bought deal prospectus financing of 71,000,000 common shares at a price of \$1.55 per common share for gross proceeds of \$110.1 million. In conjunction, the underwriters exercised their over-allotment option to purchase up to an additional 15% or 10,650,000 Common Shares at \$1.55 per share for total gross proceeds (including the over-allotment) of \$126.6 million. Costs associated with the financings totaled \$6.5 million, resulting in net proceeds of \$120.1 million.

b) Construction financing package

On February 8, 2022, the Company announced the completion of a construction financing package totaling approximately US\$530 million in aggregate (the "Financing"). It is anticipated that the Financing will fund construction and development of the Goose Mine at Sabina's 100% owned Back River Project in Nunavut, Canada (the "Project").

The Financing is comprised of:

- US\$225 million senior secured debt facility with Orion Mine Finance ("Orion");
- US\$75 million gold prepay facility with Orion;
- US\$125 million gold stream arrangement with Wheaton Precious Metals Corp. ("Wheaton");
- US\$95 million private placement of Sabina common shares with both Orion and Wheaton to be subscribed over three tranches (note 7(a)); and
- US\$10 million private placement of Sabina common shares with Zhaojin International Mining Co., Ltd. ("Zhaojin") to be subscribed over two tranches (note 7(a)).

In connection with the Financing, Sabina has executed final documentation with Orion Fund III (Mt) LLC, a limited liability company managed by Orion with respect to: (i) the provision of a senior secured project finance debt facility in the principal amount of US\$225 million and a gold prepay facility in the amount of US\$75 million, (ii) an offtake agreement purchase 100% of the annual refined gold production from the Project, and (iii) the purchase, on a private placement basis, of US\$75 million of Sabina common shares.

SABINA GOLD & SILVER CORP.

Notes to Condensed Consolidated Interim Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, except for share amounts)

For the three months ended March 31, 2022 and 2021

Concurrently, Sabina has executed final documentation with Wheaton with respect to: (i) a definitive precious metal purchase agreement under which Wheaton will pay Sabina an upfront payment of US\$125 million to acquire payable gold production from the Project (the "Stream Arrangement"), and (ii) the purchase, on a private placement basis, of US\$20 million of Sabina common shares.

Credit Facility – Orion

- US\$225 million senior secured debt facility;
 - To be funded in four equal tranches and available from the date the gold prepay facility is fully drawdown until December 31, 2024;
 - Interest rate of LIBOR + 5.0-8.0%, based on the timing of the drawdown;
 - Principal and accrued interest is repayable in 20 quarterly instalments commencing on September 30, 2025 until the maturity at June 30, 2030; and
 - Standby fees are payable on a quarterly basis and are calculated at 1% of the undrawn balance of the facility, with total standby fees payable capped at US\$4.5 million over the term of the facility.
- US\$75 million gold prepay facility;
 - To be funded to two equal tranches and available subsequent to the Stream Arrangement being drawn; and
 - Delivery period will commence September 30, 2025 for a total of 15 quarters at 7,250 oz of refined gold per quarter.
- Gold Metal Offtake Agreement;
 - Applies to sales on 100% of the refined gold production on 5 million ounces of refined gold delivered from the Project. The quantity reduces to 20% thereafter; and
 - Orion to pay Sabina for refined gold based at ~99% of prevailing market prices.

Stream Arrangement - Wheaton

- Applies only to the Goose property and not to any other properties on Back River Gold district;
- US\$125 million upfront payment (the "Deposit") for 4.15% of the gold production from the Project dropping to 2.15% after delivery of 130,000 ounces and dropping to 1.5% after delivery of 200,000 ounces;
- The Deposit is to be paid in four equal installments during construction, based on the remaining capital to be spent prior to the senior debt facility and the gold prepay facility being drawn; and
- Wheaton will make ongoing payments equal to 18% of the spot gold price, until the Deposit has been reduced to zero, thereafter increasing to 22% of the spot gold price upon delivery.

Equity Financings

- Orion agreed to subscribe for 72,732,692 shares of Sabina at a price of C\$1.30 for aggregate proceeds of approximately \$95 million (US\$75 million).
- Wheaton agreed to subscribe for 19,395,384 shares of Sabina at a price of C\$1.30 for aggregate proceeds of approximately \$25 million (US\$20 million).
- The private placement to Orion and Wheaton will be completed in three tranches. The final tranche, which is subject to approval of the Sabina shareholders pursuant to the policies of the TSX, is expected to close in the second quarter of 2022.
- The private placement to Zhaojin will be completed in two tranches.
- Prior to the advance of funding under the Orion credit facilities and the Wheaton stream arrangement, Sabina is to fund US\$95 million in additional third-party equity investment and repay the US\$20 million senior secured facility (note 6) in accordance with its terms. This funding was completed by way of a bought deal prospectus financing that closed on March 30, 2022 (note 7(a)).

SABINA GOLD & SILVER CORP.

Notes to Condensed Consolidated Interim Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, except for share amounts)

For the three months ended March 31, 2022 and 2021

8. Share-based payments

a) Share purchase options

The number and weighted average exercise prices of outstanding share options are as follows:

	2022		2021	
	Number of options	Average exercise price	Number of options	Average exercise price
Outstanding as at January 1	11,267,750	\$ 1.55	10,964,250	\$ 1.36
Exercised during the period	(656,250)	1.25	(1,886,500)	0.79
Forfeited or expired during the period	(1,285,250)	1.39	-	-
Granted during the period	2,300,000	1.63	1,685,000	1.87
Outstanding at March 31	11,626,250	1.60	10,762,750	1.54
Not vested at March 31	(4,317,778)	1.57	(3,753,750)	1.44
Exercisable as at March 31	7,308,472	\$ 1.62	7,009,000	\$ 1.59

As permitted under the Company's Stock Option Plan, an option holder may choose to exercise options as stock appreciation rights ("SARs") with no cash proceeds. In such a case, the difference between the number of options exercised and the number of shares issued is included in forfeited or expired options in the table above.

During the three months ended March 31, 2022, a total of 656,250 options were exercised (2021 – 1,886,500 options), of which 200,000 options were exercised for cash (2021 – none) and 456,250 options were exercised as SARs (2021 – 1,886,500 options), resulting in the issuance of 54,563 common shares (2021 – 1,177,878 common shares).

During the three months ended March 31, 2022, the Company granted 2,300,000 options (2021 – 1,685,000) at a weighted average exercise price of \$1.63 per option (2021 – \$1.87), and a term of 5 years and vest over 3 years (25% at date of grant and 25% at each of the next three anniversary dates).

The following table summarizes the outstanding options as at March 31, 2022 by year of expiry:

Year	Number of options	Average exercise price
2022	50,000	\$ 2.30
2023	2,365,000	2.06
2024	2,140,000	1.25
2025	2,261,250	1.21
2026	2,510,000	1.78
2027	2,300,000	1.63
Outstanding at March 31, 2022	11,626,250	1.60
Not vested at March 31, 2022	(4,317,778)	1.57
Exercisable at March 31, 2022	7,308,472	\$ 1.62

Employee compensation cost

During the three months ended March 31, 2022, the Company recorded \$0.8 million (2021 - \$0.7 million) in share-based payment costs for stock options, of which \$0.6 million (2021 - \$0.4 million) is presented as an operating expense in the consolidated statement of comprehensive loss and \$0.2 million (2021 - \$0.3 million) is capitalized to mineral property costs.

Inputs for measurement of grant date fair values

The grant date fair values of share options were measured based on the Black-Scholes option pricing model. The weighted average inputs used in the measurement of the grant date fair values at for stock options granted during the three months ended March 31, 2022 are as follows: a risk-free interest rate of 1.70% (2021 – 0.94%); a dividend yield of 0% (2021 – 0%); an expected volatility of 53% (2021 – 62%) and expected lives of stock options of 5 years (2021 – 5 years).

The weighted average fair value of options granted during the three months ended March 31, 2022 was \$0.79 per option (2021 – \$0.98). The expected volatility is estimated by considering historic average share price volatility.

SABINA GOLD & SILVER CORP.

Notes to Condensed Consolidated Interim Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, except for share amounts)

For the three months ended March 31, 2022 and 2021

b) Restricted share units

	2022		2021	
	Number of RSUs	Average price	of options	price
Outstanding as at January 1	188,333	\$ 1.64	-	\$ -
Granted during the period	275,000	1.63	170,000	1.77
Settled in shares during the period	-	-	-	-
Outstanding as at March 31	463,333	\$ 1.63	170,000	\$ 1.77

During the three months ended March 31, 2022, the Company granted 275,000 RSUs (2021 – 170,000) at a grant price of \$1.63 per RSU which vest over 3 years (one-third one month following date of grant and one-third at each of the first and second anniversaries of the date of grant).

Employee compensation cost

During the three months ended March 31, 2022, the Company recorded \$0.2 million (2021 - \$7 thousand) in share-based payment costs for RSUs, of which \$151 thousand (2021 - \$6 thousand) is presented as an operating expense in the consolidated statement of loss and comprehensive loss and \$24 thousand (2021 - \$1 thousand) is capitalized to mineral property costs.

c) Back River share consideration

In connection with the original asset purchase dated June 9, 2009 to acquire the Back River assets from Dundee Precious Metals, the Company agreed to provide future equity consideration in the event certain milestones related to the project were met. At March 31, 2022, the remaining consideration consists of 5 million common shares of the Company, which would be issuable upon the exercise of 5 million warrants for \$nil consideration and a positive production decision for the Back River Project.

9. Flow-through premium liability

	2022	2021
January 1	\$ 1,896	\$ 5,058
Amortization	(1,896)	(406)
March 31	\$ -	\$ 4,652

In October 2021, the Company completed a private placement flow-through financing of 7,200,821 flow-through common shares at a price of \$1.87 per common share for gross proceeds of \$13.5 million, which must be used to incur Canadian exploration expenditures as defined by the Income Tax Act (Canada) by December 31, 2022. The flow-through premium liability of \$3.0 million set up from this financing will be amortized as the funds are spent on qualifying expenditures. At March 31, 2022, the Company had incurred eligible flow-through expenditures of \$13.5 million related to this financing.

10. Related parties

Key management personnel, comprised of directors and officers, received compensation as follows:

	Three months ended	
	March 31, 2022	March 31, 2021
Salaries and benefits	\$ 474	\$ 458
Share-based payments	606	370
	\$ 1,080	\$ 828

SABINA GOLD & SILVER CORP.

Notes to Condensed Consolidated Interim Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, except for share amounts)

For the three months ended March 31, 2022 and 2021

11. Income taxes

The tax effects of temporary differences between amounts recorded in the Company's accounts and the corresponding amounts as computed for income tax purposes gives rise to the following deferred tax assets and liabilities:

	March 31, 2022		December 31, 2021	
Deferred tax assets/(liabilities)				
Tax loss carry forwards	\$	62,387	\$	58,785
Financing costs		3,182		1,511
Provision for closure and reclamation		1,386		1,386
Other		(39)		4
Flow-through share effect on mineral properties		(67,381)		(65,102)
Mineral properties		(21,829)		(21,195)
Property and equipment		(13,385)		(12,418)
Net deferred tax liabilities	\$	(35,679)	\$	(37,029)

Sabina has tax loss carry forwards at March 31, 2022 of approximately \$231.1 million expiring from 2031 to 2042 (December 31, 2021 – \$217.7 million).

The income tax expense differs from the expected amount calculated using the combined Canadian federal and provincial statutory income tax rates as follows:

	Three months ended March 31,	
	2022	2021
Loss before income taxes	\$ (4,777)	\$ (1,341)
Canadian federal and provincial tax rates	27.0%	27.0%
Expected income tax recovery	1,290	362
Share based compensation and other permanent differences	396	(1)
Flow-through renunciation	(2,279)	(401)
Income tax expense	\$ (593)	\$ (40)

12. Supplemental cash flow information

	Three months ended March 31,	
	2022	2021
Change in accounts payable and accrued liabilities related to mineral property costs	\$ 1,166	\$ (36)
Change in accounts payable and accrued liabilities related to the purchase of property and equipment	12,414	(146)
Depreciation capitalized to property and equipment (note 3)	1,558	1,171
Depreciation capitalized to mineral property costs (note 4)	87	116
Share-based payments capitalized to mineral property costs (note 8)	257	280
Fair value of stock options allocated to share capital upon exercise (note 7)	472	805

This Management's Discussion and Analysis ("MD&A") of Sabina Gold & Silver Corp. ("Sabina" or "the Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended March 31, 2022. The MD&A was prepared as of May 6, 2022 and should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the three months ended March 31, 2022 and the audited consolidated financial statements for the year ended December 31, 2021, which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All figures are in Canadian dollars unless otherwise stated.

Overview

Sabina is an emerging precious metals company focused on becoming an intermediate gold producer through the exploration and development of its mineral resource properties. The Company's flagship asset is its permitted 100% owned Back River gold project ("Back River Project" or the "Project"). The Company also owns a silver royalty on the Hackett River project. Both projects are located in Nunavut, Canada.

The Company continues to closely assess and monitor the COVID-19 situation as it evolves and has undertaken measures to mitigate associated risks, including establishing pre-deployment monitoring and testing, and procedures and protocols to safeguard employees while on site.

Q1 2022 Highlights:

- The Company ended the quarter with cash and cash equivalents and short-term investments of \$221.4 million.
- On February 8, 2022, the Company announced the completion of a construction financing package totaling approximately US\$530 million in aggregate (the "Financing"). It is anticipated that the Financing will fund construction and development of the Goose Mine at Sabina's 100% owned Back River Project.

The Financing is comprised of:

- US\$225 million senior secured debt facility with Orion Mine Finance ("Orion");
- US\$75 million gold prepay facility with Orion;
- US\$125 million gold stream arrangement with Wheaton Precious Metals Corp. ("Wheaton"); and
- US\$95 million private placement of Sabina common shares with both Orion and Wheaton to be subscribed over three tranches; and
- US\$10 million private placement of Sabina common shares with Zhaojin International Mining Co., Ltd. ("Zhaojin") to be subscribed over two tranches.

The first tranche of the Orion and Wheaton financings closed on February 11, 2022, resulting in the issuance of 46,209,769 common shares of the Company to Orion and 12,322,605 common shares of the Company to Wheaton for gross proceeds of \$76.1 million.

The second tranche of the Orion and Wheaton financings closed on March 7, 2022, resulting in the issuance of 16,905,354 common shares of the Company to Orion and 4,508,094 common shares of the Company to Wheaton for gross proceeds of \$27.8 million.

The first tranche of Zhaojin's financing closed on March 7, 2022, resulting in the issuance of 8,784,310 common shares of the Company for gross proceeds of \$11.4 million.

- On March 30, 2022, the Company completed a bought deal prospectus financing of 81,650,000 common shares at a price of \$1.55 per common share for gross proceeds of \$126.6 million. Additionally, pursuant to the Shareholder Agreement between the Company and Zhaojin, Zhaojin elected to maintain its 9.9% shareholding in Sabina and intends to subscribe for an additional 8,971,562 common shares at a price of \$1.55 per common share for gross proceeds of \$13.9 million, which is subject to TSX approval.
- On May 6, 2022, Sabina repaid the US\$20 million Sprott bridge loan with a payment of US\$20.8 million, which was inclusive of the minimum nine-months interest that was payable on early repayment.

- During the quarter, the Company engaged in the following activities:
 - Advanced underground development of the exploration ramp, which is driving toward the Umwelt underground to provide an underground platform from which to further explore and expand the Umwelt deposit. To the end of Q1 2022, underground operations have completed the decline to 637 meters from the portal, with total cumulative development of 800 meters inclusive of underground support infrastructure such as remucks, sumps and cut-outs.
 - Advanced various initiatives related to project execution, including work related to detailed engineering for the power plant, planning and procurement activities related to the upcoming 2022 summer sealift campaign and long lead time items, as well as work on improvements of portages on the winter ice road ("WIR") which will lead to better efficiencies in 2023 for delivery of all major equipment down to the Goose site.
 - Commenced a spring exploration drill program at Goose of approximately 1,900 meters over 8 holes, including one geomechanical hole at the base of the Umwelt open pit for rock property data collection.
 - With the completion of detailed geotechnical test work on the tailings samples and the inclusion of a high-capacity tailings thickener, the tailings storage capacity of the Echo open pit has increased sufficiently to enable the decision to construct the mill at a 4,000 tpd capacity at the outset versus 3,000 tpd as contemplated in the Updated Feasibility Study ("UFS"). This, in addition to optimized equipment selection and detailed engineering that has reduced the cost of the expansion from C\$17m to C\$10m when compared to the UFS.
- For the three months ended March 31, 2022, the Company reported a net loss of \$5.4 million or \$0.01 per share.

Results of Operations

Back River, Nunavut (100% ownership)

The Back River Project is located approximately 520 km NE of Yellowknife and 70 km south of Bathurst Inlet, and is comprised of 54 Federal Mineral Leases, 16 Federal Mining Claims covering a total of 62,819.64 hectares. It is divided into the Goose, George, Boot, Boulder, Del and Bath properties, with the Goose property hosting the Goose Main, Llama, Nuvuyak, Echo and Umwelt gold deposits, and the George property (located approximately 50 km northwest of Goose) hosting six known gold deposits.

Back River Project Development

During Q1 2022, project development activities were focused on:

- Finalizing the major process procurement packages in collaboration with FLSmidth, paying particular attention to the long lead items for delivery;
- WIR realignment to perform an Esker hauling program, and undertake sub-base preparation, at critical sections along the WIR route. This sub-base preparation will improve the efficiency and reduce the extent of future WIR construction programs; and
- Finalizing major power plant equipment with all major power plant equipment ordered for the 2022 sealift and working concurrently on all the ancillary equipment design and procurement required for the power plant.

Back River Project Exploration

During Q1 2022, exploration activities involved commencement of a spring drill program at Goose totaling 1,900 meters to be carried out between March and April. Drilling focused on targeting the interface between the planned open pit and the down plunge zone at Umwelt.

Additionally, there was continued advancement of the Umwelt underground exploration ramp which is driving toward the Umwelt underground to provide underground drilling platforms from which to further explore and expand the Umwelt deposit. To the end of Q1 2022, underground operations have completed the decline to 637 meters from the portal, with total cumulative development of 800 meters inclusive of underground support infrastructure such as remucks, sumps and cut-outs. It is anticipated that the first exploration drilling positions will be in place Q3 2022 for the commencement of the first phase of underground drilling.

Other exploration work for 2022 includes a planned summer field program for the George site, which is located 50 km north of the Goose site. George currently has a mineral resource estimate of 1.2 M oz @ 5.34g/t Au in the Indicated category and an additional 1.1M oz @ 6.12g/t Au in the Inferred category. Field work at George will consist of mapping and rock sampling for evaluation and modeling of drill targets outside of the current George resource areas. The objective of returning to George exploration is to demonstrate the potential for additional discovery and resource growth towards definition of a stand-alone secondary development site for Sabina at Back River.

Mr. Angus Campbell, P. Geo. and Vice-President, Exploration and Mr. Vincy Benjamin, P.Eng., Director, Project Development are Qualified Persons under the terms of NI 43-101 and have reviewed the technical content of this MD&A for the Back River Project and approved its dissemination.

Back River Project Community and Social Responsibility

Environment, Social Responsibility and Governance ("ESG")

As the Company evolves into a gold producer, it is committed to strong governance policies with a long-term view to maximizing the bottom line and mitigating economic risk. To this end, the Company is focussed on mandates that: minimize potential negative impacts to the environment and people; transform the gold at the Back River Project into mutual economic success and sustainability; and provide accountability on all levels.

In 2020, the Company began formally reporting on its ESG commitments and achievements by publishing its inaugural Sustainability Report. Given the nature of the Company's operations, the Sustainability Report is updated every two years until activities increase and more data is available to report on. During Q1 2022 the company continued to advance towards finalizing its next Sustainability Report, which is expected to be published in June 2022.

Summary of Results

(Expressed in thousands of dollars, except per share amounts)

	2022	2021	2021	2021	2021	2020	2020	2020
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Total assets	\$ 886,808	\$ 643,977	\$ 642,828	\$ 597,526	\$ 589,960	\$ 555,134	\$ 562,741	\$ 555,049
Loss	(5,370)	(2,659)	(2,392)	(1,597)	(1,381)	(1,186)	(1,008)	(1,171)
Per Share	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

Quarterly losses are impacted by the timing and quantum of share-based payments, the amortization of flow-through share premium liability, and associated tax impacts.

Overall Performance

For the three months ended March 31, 2022, the Company's net loss was \$5.4 million compared with \$1.4 million during the comparative quarter in 2021, the increase driven primarily by higher operating expenses and partially offset by higher net finance income.

Operating expenses for the three months ended March 31, 2022 were \$6.7 million compared to \$1.9 million in the comparative period in 2021. Period-over-period (favourable)/unfavourable variances are summarized below:

Expense	Variance (\$ millions)	Description
Insurance	0.1	Higher cost in 2022 due to increase in insurance rates combined with increases in coverage for additional activities.
Listing, transfer and shareholder	0.2	Additional listing fees associated with the 2022 prospectus financing.
Professional services	4.2	Additional advisory fees associated with the process to secure construction financing.
Share-based payments	0.3	Increase in the number of options granted in 2022 combined with an increase in expense associated with the vesting of restricted share units ("RSUs").

For the three months ended March 31, 2022, net finance income was \$1.9 million compared to \$0.5 million in the comparative period in 2021. The increase was due primarily to higher amortization of flow-through premium liability.

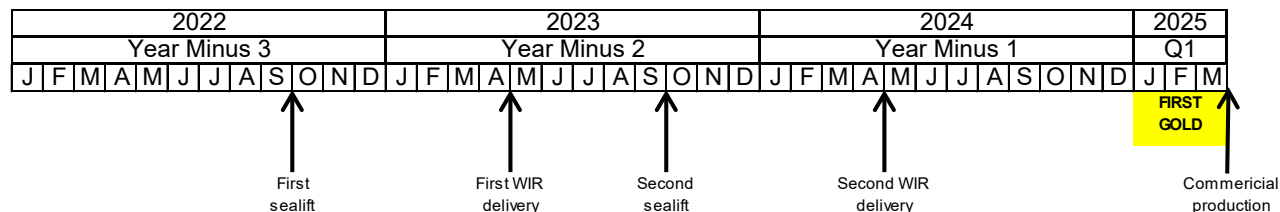
Capitalized exploration and evaluation expenditures for the three months ended March 31, 2022 were \$13.6 million compared to \$4.0 million during the comparative period in 2021. Period-over-period increases/(decreases) are summarized below:

Capitalized Exploration and Evaluation Expenditures	Variance (\$ millions)	Description
Surface access rights	0.6	Primarily a timing difference in 2022 related to the payment of the annual \$0.5 million fee to KIA.
Drilling and camp support	0.3	Earlier drilling campaign in 2022 vs. the prior year.
Detailed engineering and pre-development activities	8.3	Increase in advancement of the underground ramp for additional underground exploration activities.
Environmental and permitting	0.3	Additional activities related to community relations and water monitoring
Management and administration	0.1	Additional data management costs

Outlook

Sabina's strategic plan is focused on exploring and developing its primary asset, the 100% owned Back River Project, with the objective of becoming a mid-tier gold producer. The UFS, released in February 2021, demonstrates the positive economics of the Project on a greater scale and over a longer 15-year mine life than the previous study.

With the completion of a US\$530 million construction financing package, the Company will continue to advance on its target for first gold in Q1 2025.



The Project execution schedule is driven by the seasonality of shipping to the Port Facility combined with the logistics of construction and transport by way of WIR. The UFS execution schedule contemplates that the first seasonal sealift of construction materials would be completed by September of the year approximately 27 months prior to first gold and the second seasonal sealift completed by September of the year approximately 15 months prior to first gold. From delivery of that first seasonal sealift to the Port Facility, the Company estimates that the Back River Project would be approximately 30 months to commercial production, inclusive of a 3-month commissioning and ramp up period. Maintaining this schedule is dependant on the timing of completion of additional equity financing and a production decision by the Company.

Liquidity and Capital Resources

The Company had cash and cash equivalents and short-term investments of \$221.4 million at March 31, 2022 compared to \$25.6 million at December 31, 2021. During 2022, Sabina completed equity financings with total gross proceeds of \$241.9 million.

On February 8, 2022, the Company announced the completion of a construction financing package totaling approximately US\$530 million in aggregate (the "Financing"). The Financing will fund construction and development of the Goose Mine at Sabina's 100% owned Back River Project in Nunavut, Canada (the "Project").

The Financing is comprised of:

- US\$225 million senior secured debt facility with Orion;
- US\$75 million gold prepay facility with Orion;
- US\$125 million gold stream arrangement with Wheaton; and
- US\$95 million private placement of Sabina common shares with both Orion and Wheaton to be subscribed over three tranches; and
- US\$10 million private placement of Sabina common shares to Zhaojin to be subscribed over two tranches.

In connection with the Financing, Sabina has executed final documentation with Orion Fund III (Mt) LLC, a limited liability company managed by Orion with respect to: (i) the provision of a senior secured project finance debt facility in the principal amount of US\$225 million and a gold prepay facility in the amount of US\$75 million, (ii) an offtake agreement purchase 100% of the annual refined gold production from the Project, and (iii) the purchase, on a private placement basis, of US\$75 million of Sabina common shares.

Concurrently, Sabina has executed final documentation with Wheaton with respect to: (i) a definitive precious metal purchase agreement under which Wheaton will pay Sabina an upfront payment of US\$125 million to acquire payable gold production from the Project (the "Stream Arrangement"), and (ii) the purchase, on a private placement basis, of US\$20 million of Sabina common shares.

Credit Facility – Orion

- US\$225 million senior secured debt facility;
 - To be funded in four equal tranches and available from the date the gold prepay facility is fully drawdown until December 31, 2024;
 - Interest rate of LIBOR + 5.0-8.0%, based on the timing of the drawdown; and
 - Principal and accrued interest is repayable in 20 quarterly instalments until the maturity at June 30, 2030.
- US\$75 million gold prepay facility;
 - To be funded to two equal tranches and available subsequent to the Stream Arrangement being drawn; and
 - Delivery period will commence September 30, 2025 for a total of 15 quarters at 7,250 oz of gold per quarter.
- Gold Metal Offtake Agreement;
 - Applies to sales on 100% of the refined gold production on 5 million ounces of gold delivered from the Project. The quantity reduces to 20% thereafter; and
 - Orion to pay Sabina for refined gold based at ~99% of prevailing market prices.

Stream Arrangement - Wheaton

- Applies only to the Goose property and not to any other properties on Back River Gold district;
- US\$125 million upfront payment (the "Deposit") for 4.15% of the gold production from the Project dropping to 2.15% after delivery of 130,000 ounces and dropping to 1.5% after delivery of 200,000 ounces;
- The Deposit is to be paid in four equal installments during construction, based on the remaining capital to be spent prior to the senior debt facility and the gold prepay being drawn; and
- Wheaton will make ongoing payments equal to 18% of the spot gold price, until the Deposit has been reduced to zero, thereafter increasing to 22% of the spot gold price upon delivery.

Equity Financings

- Orion agreed to subscribe for 72,732,692 shares of Sabina at a price of C\$1.30 for aggregate proceeds of approximately \$95 million (US\$75 million).
- Wheaton agreed to subscribe for 19,395,384 shares of Sabina at a price of C\$1.30 for aggregate proceeds of approximately \$25 million (US\$20 million).
- The private placement to Orion and Wheaton, which is subject to the acceptance of the TSX, will be completed in three tranches.
 - The first tranche of the Orion and Wheaton financings closed on February 11, 2022, resulting in the issuance of 46,209,769 common shares of the Company to Orion and 12,322,605 common shares of the Company to Wheaton for gross proceeds of \$76.1 million.
 - The second tranche of the Orion and Wheaton financings closed on March 7, 2022, resulting in the issuance of 16,905,354 common shares of the Company to Orion and 4,508,094 common shares of the Company to Wheaton for gross proceeds of \$27.8 million.
 - The final tranche, which is subject to approval of the Sabina shareholders pursuant to the policies of the TSX, is expected to close in the second quarter of 2022.
- The private placement to Zhaojin will be completed in two tranches.
 - The first tranche of Zhaojin's financing closed on March 7, 2022, resulting in the issuance of 8,784,310 common shares of the Company for gross proceeds of \$11.4 million
- Prior to the advance of funding under the Orion credit facilities and the Wheaton stream arrangement, Sabina to fund at least US\$95 million in additional third-party equity investment and repay the previously announced US\$20 million Sprott bridge loan in accordance with its terms. This funding was completed by way of a bought deal prospectus financing for 81,650,000 common shares at a price of \$1.55 per common share for gross proceeds of \$126.6 million that closed on March 30, 2022. On May 6, 2022, Sabina repaid the US\$20 million Sprott bridge loan with a payment of US\$20.8 million, which was inclusive of the minimum nine-months interest that was payable on early repayment.

Based on the financings completed during Q1 2022, the Company has sufficient funds to execute its operating and construction plan beyond the end of 2023.

Contractual Obligations

<i>(all figures in \$ millions)</i>	TOTAL	Less than 1 year	1-3 years
Loan obligations	\$ 37.5	\$ 28.5	\$ 9.0
Lease obligations	0.5	0.4	0.1
Accounts payable and accrued liabilities	24.9	24.9	-
Community funding obligation	2.1	-	2.1
TOTAL	\$ 38.0	\$ 28.9	\$ 9.1

Financial Instruments

The fair values of the Company's financial instruments consisting of cash and cash equivalents, short-term investments, accounts receivable, accounts payable and accruals, and loan obligations approximate their carrying values because of their short terms to maturity. The fair values of the Company's reclamation deposits, community funding deposit account, equipment financing loan deposits and deposits to secure a corporate credit card facility are not expected to differ materially from their carrying values given the interest rate being received. The fair value of marketable securities is determined based on quoted market prices.

Liabilities and Contingencies

To date the Company has the legal obligation to reclaim exploration camps for which it holds water licenses and exploration and mining agreements and has recorded a provision for site reclamation of \$5.1 million. The Company has issued total security deposits of \$11.7 million related to these obligations, with the difference between the provision and the funding representing future planned disturbances.

Critical Accounting Estimates

The preparation of the Company's consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

See Critical Accounting Estimates in the Company's 2021 annual MD&A as well as note 3 of the annual 2021 audited consolidated financial statements for a detailed discussion of the areas in which critical accounting estimates are made.

Estimates, judgments, and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Disclosure Controls and Procedures and Internal Control Over Financial Reporting

Sabina's management is responsible for establishing and maintaining adequate disclosure controls and procedures and internal control over financial reporting. Any system of internal controls, no matter how well designed, has inherent limitations. As a result, even those systems determined to be effective can only provide reasonable assurance regarding the preparation and presentation of our financial statements. There have been no changes in our disclosure controls and procedures and internal control over financial reporting during the three months ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Due to inherent limitations associated with any such controls and procedures, management recognizes that, no matter how well designed and implemented, they may not prevent or detect all inaccuracies on a timely basis. These limitations include limited personnel available for such work, geographical logistics and human error among others. The Board of Directors assesses the integrity of the public financial disclosures through the oversight of the Audit Committee.

Outstanding Share Data

As at May 6, 2022, there were 527,116,363 common shares outstanding and there were options and warrants outstanding to purchase an aggregate of 16,626,250 common shares as well as 315,001 RSUs subject to vesting that the Company expects to settle with common shares issued from treasury.

Risks and Uncertainties

Certain global developments have resulted in additional risk factors that have the potential to introduce uncertainty in the Company's future operations, particularly during the construction phase of the Back River Project, namely:

- Changes in general economic conditions, the financial markets, inflation and interest rates and in the demand and market price for our costs, such as diesel fuel, steel, concrete, electricity and other forms of energy, mining equipment, and fluctuations in exchange rates, particularly with respect to the value of the U.S. dollar and Canadian dollar.
- Uncertainties resulting from the war in Ukraine, and the accompanying international response including economic sanctions levied against Russia, which has disrupted the global economy, created increased volatility in commodity markets (including oil and gas prices), and disrupted international trade and financial markets, all of which have an ongoing and uncertain effect on global economics, supply chains, availability of materials and equipment and execution timelines for project development.

For full details on the risks and uncertainties affecting the Company, please refer to the Company's audited annual consolidated financial statements and notes, annual MD&A and annual information form for the year ended December 31, 2021. These documents may be obtained or viewed on the SEDAR website at www.sedar.com and on the Company's website at www.sabinagoldsilver.com.

Additional Information

Sabina is a Canadian public mineral development and exploration company listed on the TSX Exchange trading under the symbol "SBB" and is a reporting issuer in British Columbia and Alberta. Additional information relating to the Company may be obtained or viewed on the SEDAR website at www.sedar.com and on the Company's website at www.sabinagoldsilver.com.

Forward Looking Information

This MD&A provides management's analysis of Sabina's historical financial and operating results and provides estimates of Sabina's future financial and operating performance based on information currently available. Actual results will vary from estimates and the variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance.

Certain information set forth in this MD&A, including management's assessment of the Company's future plans and operations, contains forward-looking information. By their nature, forward-looking information is subject to numerous risks and uncertainties, some of which are beyond the Company's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be inaccurate and, as such, undue reliance should not be placed on forward-looking information. Sabina's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur or, if any of them do so, what benefits Sabina will derive there from. Sabina disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise except as required by applicable law