



SABINA GOLD & SILVER CORP.

**ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2021**

MARCH 23, 2022

**SUITE 1800, 555 BURRARD STREET, BENTALL II
VANCOUVER, BC V7X 1M9**

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PRELIMINARY NOTES

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

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, 2021 unless otherwise indicated.

FORWARD-LOOKING INFORMATION

This AIF contains “forward-looking information” within the meaning of applicable Canadian securities legislation (“**Forward-Looking Information**”) 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 “believe”, “envision”, “estimate”, “assume”, “evaluate”, “expect”, “anticipate”, “may”, “could”, “might”, “will”, “would”, “should”, “intend”, “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 Gold District (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 statements regarding the projections and assumptions set out in the UFS (as defined herein);
- the timing and amount of estimated capital, operating and exploration expenditures and other expenses for specific operations;
- Mineral Resource estimates for Goose and George deposits and the mineral reserve estimate for the Goose Project (the “**Goose Project**”) at the Back River Gold District based on the Mineral Resource estimates for the Llama, Umwelt, Nuvuyak, Echo and Goose Main deposits, contained in the UFS;
- the ability of the Company to exploit estimated Mineral Reserves;
- the Company’s expectation that the Goose 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 UFS;
- 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 Goose 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 proposed use of proceeds of the 2021 Equity Financings, the Financing and the 2022 Private Placement;
- the expectation that the Company will be able to generate sufficient cash flow to satisfy the financial covenants under any existing or future potential loan facility and service existing and any future potential debt on a timely basis;
- the expected satisfaction of certain projected operating and performance parameters required under any existing or potential future loan facility;
- the ability to mine and process estimated Mineral Reserves from the Goose Project;
- the Company's treatment under governmental taxation regimes;
- 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 reflects 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 report 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 is based upon the prices and the assumptions contained in the UFS.

Forward-Looking Information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management, in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, as of the date of this AIF including, without limitation, assumptions about: the effects of general economic conditions; changing foreign exchange rates; risks associated with exploration and project development; the calculation of Mineral Resources and Mineral Reserves; risks related to fluctuations in metal prices; uncertainties related to raising sufficient financing to fund the planned work in a timely manner and on acceptable terms; changes in planned work arising from weather, logistical, technical or other factors; the possibility that results of work will not fulfill expectations and realize the perceived potential of the Company's properties; risk of accidents, equipment breakdowns and labour disputes; access to project funding or other unanticipated difficulties or interruptions; the possibility of cost overruns or unanticipated expenses in the work program; title matters; government regulation; obtaining and receiving necessary licenses. While the Company considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual actions, events, conditions, results, performance or achievements to be materially different from those projected in the Forward-Looking Information. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

Forward-Looking Information is 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:

- the impact of global supply chain and financial market disruptions as a result of the ongoing COVID-19 pandemic and geopolitical risk and conflict;
- the uncertainty of estimated production, development plans and cost estimates for the Goose Project;
- discrepancies between actual and estimated Mineral Reserves and Mineral Resources, actual and estimated development and operating costs, actual and estimated metallurgical recoveries and estimated and actual production;
- 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;
- future foreign currency exchange rates;
- 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;
- security threats to the Company's information systems;
- additional financing requirements;
- the Company's history of losses;
- the Company's negative cash flow;
- risks related to the Company's ability to comply with restrictive covenants and maintain financial covenants under the Facility (as defined herein);
- increasing interest rates may increase the Company's cost of borrowing;
- the Company's ability to continue as a going concern;
- delays in, or inability to achieve, planned commercial production;
- fluctuations in the relative values of the U.S. dollar and the Canadian dollar;
- volatility in metals prices; 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.

The Company cautions that the foregoing lists of important assumptions and factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the Forward-Looking Information contained herein. There can be no assurance that Forward-Looking Information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, investors should not place undue reliance on Forward-Looking Information.

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 Gold District (the "**Back River Gold District**") and the Wishbone Greenstone Belt (the "**Wishbone Project**") in Nunavut, Canada. See "Acquisition of the Back River Gold District 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 Gold District is the Company's main asset with estimated cumulative exploration and evaluation expenditures of **\$404 million** and property and equipment of **\$175 million** spent on the Back River Gold District since 2009, including acquisition costs.

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

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 Goose Project. In 2018, the Company completed 22,500m of diamond drilling including 16,500m of drilling during the summer exploration program.

On February 22, 2019, the Company announced its budget and work plans for 2019. The 2019 budget enabled the Company to continue its two-pronged approach: completing project development activities to reduce execution risk as well as continuing high value exploration.

On March 28, 2019, the Company announced that it had begun trading on the OTCQX Best Market platform in the United States under the symbol SGSVF.

On April 4, 2019, the Company completed a non-brokered flow-through private placement financing of 3,361,907 common shares in the capital of the Company ("**Common Shares**") for gross proceeds of \$5.2 million.

On May 6, 2019, the Company announced that it had completed construction of the 172km winter ice road ("**WIR**") and haulage of construction materials and equipment from the Port Facility to the Goose Site (as defined herein). This served to reduce logistical risks by repositioning construction supplies and providing hands on experience of both logistics and WIR construction as well as identifying opportunities to enhance WIR operations in future years. Construction of the WIR was completed in late April 2019 with haulage completed on May 11, 2019.

On June 6, 2019, the Company reported that its slate of Directors had been elected at the Company's Annual General Meeting of Shareholders. In addition, the Company's amended Share Compensation Plan was approved by shareholders of the company ("**Shareholders**").

In June, July and August of 2019, the Company continued to report successful drilling results at both the Umwelt Underground high-grade corridor and at the new Nuvuyak zone discovered in 2018.

On September 5, 2019, the Company provided an update on exploration successes including:

- ***The extension of the Llama underground gold structure.*** Mineralization from the bottom of the Llama open pit reserve now extends for greater than 1200m down plunge. Recent successes include the extension from the existing Llama underground resource adding an additional plunge length of approximately 580m as well as the discovery of higher-grade mineralization over numerous drill holes within this plunge extension. The mineralizing structure at Llama underground remains open to depth.
- ***The new discovery of a significant zone of gold mineralization, the Nuvuyak Zone, located approximately 1000m west of the Goose Main deposit.*** The Nuvuyak gold zone has now been tested by 14 drill holes which confirm a strongly mineralized, folded iron formation package over a plunge extent of 370m, open both up and down plunge. The Nuvuyak gold zone is analogous in size and mineral robustness to the other Goose Project deposits and is the most important discovery since the Umwelt discovery in 2010.

- ***The definition and expansion of a thickened, high grade corridor of mineralization within the Umwelt underground, initially at the Vault Zone and more currently in the up-plunge direction.*** Recent drilling and modeling shows that the high grade zone or corridor extends through Vault Zone, up and down plunge with excellent potential for significant optimization through additional drilling.
- ***Discovery of over 25% more plunge length of mineralized iron formation at the Goose Property.*** Between Llama Extension and Nuvuyak, Sabina has identified an additional combined 950m of gold mineralized iron formation along plunge.

On November 13, 2019, the Company released its inaugural Environment, Social and Governance Report (“**ESG Report**”). The ESG Report provides investors and other stakeholders with information about the Company’s strategy, commitments and performance on relevant environmental, social and governance topics. The ESG Report outlines Sabina’s commitment to the following priority areas: governance and integrity, value for stakeholders, value for employees, value for society and environmental sustainability as well as climate change. It also outlines Sabina’s commitment to the economy, society and environment in Nunavut.

On December 20, 2019, the Company completed a bought deal financing of 2,137,000 Flow-through Common Shares for gross proceeds of \$5.5 million. The underwriters of the financing were paid a 5% commission. In addition, both DPM and Zhaojin International Mining Co., Ltd. elected to exercise their participation right in relation to the financing to purchase, by way of private placement, 1,921,780 Common Shares of the Company for gross proceeds of approximately \$3.1 million.

2020

On January 6, 2020, the Company announced its priority focus for exploration advancement at Back River Gold District during 2020 was a 6,500 meter spring drilling program that would target expansion and definition of the high grade corridor at the Umwelt underground with a focus on the up plunge portion of the deposit that extended from the current limits of the Vault Zone towards the lower limits of the Umwelt open pit. This drilling would encompass approximately 10 holes up plunge to the pit as well as an optional 2-3 holes within the Vault Zone and other structural targets within the Umwelt gold system.

On March 16, 2020, in response to the COVID-19 pandemic, the Company shut down camp, deferring the drilling program and site activities until later in the year and implemented a work from home protocol.

On March 30, 2020, the Company announced that Lello Galassi, the Vice-President, Development & Construction of the Company had resigned for personal reasons.

On April 29, 2020, the Company announced that it had filed a renewal base shelf prospectus with the securities regulatory authorities in each of the provinces and territories of Canada. The renewal provides for continuity of the base shelf prospectus filed by the Company on March 26, 2018.

On June 3, 2020, the Company announced that it completed a bought deal financing for gross proceeds of \$55 million through a combination of 12,500,000 Common Shares at \$2.00 per share, 2,100,000 flow-through Common Shares at \$2.40 per share, 5,224,000 charity flow-through Common Shares at \$2.68 per share and 1,638,000 super charity flow-through Common

Shares at \$2.90 per share. The underwriters of the financing elected to exercise their over-allotment option to purchase 2,900,000 Common Shares at \$2.00 per share. In addition, Zhaojin International Mining Co., Ltd. elected to exercise its participation relation to this financing to purchase, by way of private placement, 2,882,082 Common Shares at \$2.00 for gross proceeds of approximately \$5.8 million.

On June 4, 2020, the Company reported its slate of Directors had been elected at the Company's Annual General Meeting of Shareholders. The slate of Directors replaced Rick Howes, retired President & CEO of Dundee Precious Metals with his replacement at Dundee, David Rae.

On July 8, 2020, the Company announced that its Goose Camp had been successfully re-opened and work programs commenced at the Goose Project. Since de-mobilizing personnel from Goose Camp in March 2020 due to the COVID-19 pandemic, the Company had been working in consultation with external parties to develop camp protocols to ensure the safety of its workplace and surrounding communities.

On August 20, 2020, the Company announced initial results from its summer drilling program at the Umwelt deposit on the Goose Project. Results included 15.15g/t Au over 19.40m in drill hole 20GSE571, 12.64 g/t Au over 7.70m in drill hole 20GSE572 and 19.27 g/t Au over 7.00m in drill hole 20GSE573.

On August 25, 2020, the Company provided an update on the advancement of the Back River Gold District. The Company reported that the Goose Project, the initial focus for production at the Back River Gold District, has evolved significantly on its path to production since the IFS was completed in 2015. There had been significant advancements in engineering, project development, exploration and permitting, which had been improved, optimized and further de-risked the Goose Project towards a production decision.

On September 3, 2020, the Company announced further results from drilling in the upper portions of the high-grade corridor at Umwelt Underground on the Goose Project. Assay results from two new drill holes include: hole 20GSE575C which returned 19.89 g/t Au over 32.20m, including 51.50 g/t Au over 8.20m, and hole 20GSE574 which returned 5.88 g/t Au over 20.10m. Results continued to support the thesis of the continuity of a high-grade corridor extending from the high-grade Vault Zone at depth to the lower limits of the current Umwelt open pit design.

On October 13, 2020, the Company announced further high grade assay results from drilling of the upper portions of the high-grade corridor at the Umwelt Underground resource on the Goose Project. Results included 23.52 g/t over 22.75m in hole 20GSE582, 20.02 g/t over 20.55 in hole 20GSE581 and 14.78 g/t over 24.80m in hole 20GSE584.

The drilling focused on a zone directly under the proposed Umwelt open pit (V2 Zone) at a depth that ranges from 135m to 285m below surface, over a plunge extent of approximately 300m. All seven drill holes targeting this zone returned exceptional widths of gold mineralization, up to 2-3 times the average grade of the Umwelt underground reserve. The V2 Zone is very similar to the Vault Zone, further supporting the concept of additional high-grade underground corridors within the Umwelt deposit.

On October 27, 2020, the Company reported on ongoing pre-development activities at the Goose Project. Working under a COVID-19 Operational Framework which utilized pre-development monitoring and testing, a reduced workforce and numerous onsite protective measures, the Company's project development team mobilized to a site during the first week of

July, 2020. Work commenced on key initiatives to progress infrastructure as well as to prepare for the construction of an exploration ramp to access the high-grade underground corridor at the Umwelt deposit. Work commenced on extending the existing all-weather airstrip from 3,000 to 4,500 feet to facilitate the use of large capacity cargo and transport aircraft to support development and future operations. Major equipment and services for the underground exploration decline and portal workshop structure have been procured at a commitment of approximately C\$8m. Additionally, in preparation for the construction of the exploration ramp, blasting and quarrying was completed to construct network roads connecting key areas within the Goose Project footprint.

On November 12, 2020, the Company reported that the detail engineering contract was awarded and work commenced on the Goose Project. The Company also announced that it engaged Sacré-Davey Engineering Inc. to complete the detail engineering scope for the process plant and experienced Arctic builders, CGT Industrial to review and evaluate the detailed design's constructability and operability. Furthermore, the Company selected FLSmidth ("FLS") as the equipment manufacturer and FLS is actively working on their line-up of equipment and a definitive pricing model with a performance guarantee for the plant. The Company also announced that it engaged DT Engineering to design the Port Facility fuel farm and fuel distribution process. The Company also commenced an updated Feasibility Study on the Goose Project.

On December 8, 2020, the Company provided final results from the 2020 exploration program at the Back River Gold District. During the season, the Company completed approximately 8,000 m of drilling at Goose in addition to completion of an extensive airborne geophysical Versatile Time Domain Electromagnetic "VTEM" survey over the Goose, George and Del properties.

On December 16, 2020, the Company announced that its construction objectives for the year were completed and demobilization of personnel from the Goose Project had been completed. The Company also announced that effective at market close on December 18, 2020, the Company would be added to the GDXJ.

2021

On January 20, 2021, the Company reported an updated Mineral Resource Estimate at the Back River Gold District. Resources for the Back River Gold District now total 6.32M ounces (33,452,000 tonnes at 5.88 g/t) in the Measured and Indicated ("M&I") categories and an additional 2.86M ounces (13,794,000 tonnes at 6.44 g/t) in the Inferred category. Since the last Mineral Resource estimate in 2014, drilling has focused on discovery and delineation of several new high-grade mineralized zones within the Goose Site.

On January 26, 2021, the Company announced that it appointed Ms. Anna Tudela to its Board of Directors. The Company believes her exceptional experience will further complement the Company's Board of Directors' abilities as the Company moves Back River towards production.

On February 24, 2021, the Company announced the results of the UFS for the Goose Project. Highlights include increased mine life and gold production with reduced execution risk showcasing a world class project with Post Tax IRR/NPV(5%) of ~28% and C\$1.1 Billion (US\$860 million), assuming a gold price of US\$1,600/oz and an exchange rate of 1.31:1 (C\$:US\$). The UFS supersedes the IFS and showcases a gold project with greater capital efficiency, a higher production profile and longer mine life and has also received the required environmental authorizations and social license to commence construction and operations. The Company has constructed and operated its logistics and supply chain, successfully delivering

goods to the mine site overland, reducing a key risk to the project. See “*Description of the Goose Project (the “Property” or the “Goose Site”) at the Back River Gold District*”.

In March 2021, the Company filed its updated feasibility study on the Goose Project at its Back River Gold District titled “*National Instrument (NI) 43-101 Technical Report 2021 Updated Feasibility Study for the Goose Project at the Back River Gold District, Nunavut, Canada*” dated March 3, 2021 with an effective date of January 15, 2021 (the “**UFS**”).

On June 3, 2021, the Company reported its slate of Directors had been elected at the Company’s Annual General Meeting of Shareholders.

In August 2021 the Company entered a US\$20 million senior secured credit facility, the proceeds of which were used for critical path activities while management advanced the overall construction financing package.

In September 2021, the Company announced a change in senior management for the Company. Elaine Bennett, the former VP. Finance and CFO of the Company stepped down from her appointment and was replaced by Wendy Louie as VP. Finance & CFO. Ms. Louie is a Canadian Chartered Professional Accountant (CPA, CA) with over 25 years of diverse finance and leadership experience.

During 2021, the Company completed equity financings for total gross proceeds of \$60.7 million (the “**2021 Equity Financings**”), including:

- Bought deal prospectus financing during Q1 2021 of 18,000,000 Common Shares at a price of \$1.95 per Common Share for gross proceeds of \$35.1 million. The Company completed a concurrent private placement financing of 2,117,640 Common Shares at \$1.95 per Common Share with Zhaojin International Mining Co., Ltd. (“**Zhaojin**”) on election of its participation right to maintain its ownership at 9.9% for gross proceeds of \$4.1 million.
- Private placement financing during Q4 2021 of 7,200,821 flow-through Common Shares at a price of \$1.87 per flow-through Common Share for gross proceeds of \$13.5 million. The Company completed a concurrent private placement financing of 892,903 Common Shares at \$1.50 per Common Share with Zhaojin on election of its participation right to maintain its ownership at 9.9% for gross proceeds of \$1.3 million. The gross proceeds from the flow-through funding of \$13.5 million must be used to incur Canadian exploration expenditures as defined by the *Income Tax Act* (Canada) by December 31, 2022.

The Company also engaged in the following activities in 2021:

- Acquired a variety of mobile equipment through equipment financing loans with two suppliers, which included the phase 1 open pit mining fleet and certain underground equipment required to develop the underground exploration ramp.
- Advanced underground development of the exploration ramp, following the successful collaring of the 5 meter x 5 meter portal in Q2 2021. The ramp is driving toward the Umwelt underground, to provide an underground platform from which to further explore the Umwelt deposit. Cumulative ramp development was 560 meters to the end of Q4 2021.

- Completed detailed engineering and received issued-for-construction drawings for the process plant, as well as completed detailed engineering on the Goose fuel farm design.
- Received multiple sealifts from Sabina's eastern shipping corridor (via carrier Nunavut Eastern Arctic Shipping Inc.) and western shipping corridor (via carrier Marine Transportation Services) at the Port Facility, with all cargo offloaded safely to the laydown area. These shipments included critical path procurement items that were acquired in 2021, including the first phase of the camp accommodation complex, mill building, bulk construction supplies, and mobile equipment. Additionally, the Company received its first shipment of bulk diesel, with 2 million litres transferred without incident from the shoreline pad up to the new 10 million litre bulk storage tank at the Port Facility.
- Completed a spring drill program of 4,482 meters over 18 holes, targeting an equal mix of early-stage exploration areas and the Hook zone. Results from the Hook drilling included 5.42 g/t Au over 28.05 m, including 12.68 g/t Au over 5.30 m in hole 21GSE600. Additionally, the exploration team oversaw a small geotechnical drilling campaign of 98 meters over 7 holes related to testing the surface conditions of the planned water management structures.
- Executed a summer field exploration program at the George site, located 50km north of the Goose Site, with field work consisting of mapping and rock sampling for evaluation and modeling of drill targets outside of the current George resource areas.

Recent Developments

In January 2022, the Company reported a fatal accident at the Back River Gold District involving an employee of a contractor working on the WIR. The Company has since reported that the individual had been recovered and transported home. The Company's internal investigation and report is ongoing and is not complete at this time.

On February 8, 2022, the Company announced the completion of a construction financing package totalling approximately US\$520 million in aggregate (the "**Financing**"). The Financing will fund construction and development of a mine at the Company's Goose Project.

The CAPEX in the Project's most recent feasibility study is US\$466 million (C\$610 million). Relative to all aspects of the package, debt and streams make up ~82% of the funding with the equity component contributing ~18%. The Company working to finalize 2022 work programs and budgets to meet first gold pour in Q1, 2025.

In connection with the Financing, Sabina executed final documentation with respect to: (i) the provision by Orion 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) the purchase by Orion of 100% of the annual refined gold production from the Project based on prevailing market prices, and (iii) the purchase by Orion, on a private placement basis, of US\$75 million of Common Shares.

Concurrently, Sabina executed final documentation with respect to: (i) a definitive precious metal purchase agreement under which WPM 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 by WPM, on a private placement basis for US\$20 million of Common Shares.

The 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;
 - interest holiday until September 30, 2025 during which interest will accrue and be capitalized;
 - principal and accrued interest is repayable in 20 quarterly instalments until the maturity at June 30, 2030; and
 - prepayment at any time without penalty.
- US\$75 million gold prepay facility;
 - to be funded in two equal tranches and available subsequent to the Stream Agreement being drawn;
 - delivery period will commence September 30, 2015 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;
 - Orion to pay Sabina for refined gold based at ~99% of prevailing market prices; and
 - in the event of a change of control, Sabina has the option to repurchase 50% of the gold offtake for \$27 per ounce of remaining contained gold reserves.
- A US\$75 million private placement of Common Shares.

Stream Arrangement – WPM

- Applies only to the Project and not to any other properties on Back River Gold district;
- US\$125 million Stream Agreement
 - 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;
 - WPM 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; and
 - In the event of a change of control at Sabina or, Sabina has a one-time right to repurchased 33% of the Stream Arrangement for consideration equal an amount of cash that generates a 15% rate of return on the advanced portion of the Deposit and a 5% rate of return on the unadvanced portion of the Deposit.
- A US\$20 million private placement of common shares.

Equity Financings

- Orion agreed to subscribe for 72,732,692 Common Shares at a price of C\$1.30 for aggregate proceeds of approximately C\$95 million (US\$75 million).
- WPM agreed to subscribe for 19,395,384 Common Shares at a price of C\$1.30 for aggregate proceeds of approximately C\$25 million (US\$20 million).
- The 2022 Private Placement to Orion and WPM, which is subject to the acceptance of the TSX, will be completed in multiple 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.
- Prior to the advance of funding under the Orion credit facilities and the WPM stream arrangement, Sabina to fund at least \$125 million in additional third party equity investment and repay the previously announced US\$20 million Sprott bridge loan in accordance with its terms.

Pursuant to its participation right, Zhaojin has been given notice of the financing and will have 10 business days to advise if it will participate in the private placement.

Following closing of all tranches of the private placement common share subscriptions (assuming Zhaojin maintains its 9.9% ownership in the Company, (i) Orion will own approximately 15.9% of Sabina and (ii) WPM will own approximately 6.8% of Sabina, in each case on a basic shares outstanding basis, which includes shares currently held by WPM in the Company.

The first tranche of the 2022 Private Placement 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 to WPM for gross proceeds of approximately \$76.1 million.

The second tranche of the 2022 Private Placement, including Zhaojin's participation closed on March 7, 2022 resulting in the issuance of 16,905,354 Common Shares to Orion, 4,508,094 Common Shares to WPM and 8,784,310 Common Shares to Zhaojin for total net proceeds of approximately CAD\$39.3 million.

On March 15, 2022 the Company announced the start of a 3,500 meter drilling program at the Goose Project that will target the interface between planned open pit and down plunge zones at Umwelt as well as additional exploration drilling at the Hook Zone.

On March 21, 2022, the Company announced a bought deal financing with a syndicate of underwriters led by BMO Capital Markets for the sale of up to 71 million shares for proceeds of C\$110 million. The underwriters have the option to increase the financing by up to 15% within 30 days of the announcement.

BUSINESS OF THE COMPANY

Sabina is a gold development company focused on the acquisition, exploration and development of mineral resource properties. The Company is currently focused on developing a mine at the Goose Project at the Back River Gold District in Nunavut.

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.

The Company had approximately 36 full-time employees as at December 31, 2021.

The following sections entitled “Goose Project, Back River Gold District” and “Other Properties” describe the Company’s mineral resource properties. The Company considers its Goose Project at the Back River Gold District to be its only material mineral property.

Sabina Gold & Silver Corp. is committed to carrying out its business according to three fundamental principles: working safely, environmental stewardship and respect in all its activities. Sabina believes that transparent and sustainable practices and being a good corporate citizen are central to the long-term success of its business.

The Company seeks to create enduring relationships with local communities and stakeholders and to address social challenges that are priorities both for communities and for the business through partnerships.

This past year, the Company’s commitment to its fundamental principles was evident in a variety of ways.

Sabina continued to build on safety initiatives throughout a COVID19 environment resulting in no lost time incidents. The Company was the only significant northern mining project not to report any cases of COVID 19. Additionally, despite reduced camp personnel, all activities were completed successfully. To ensure a safe environment for all employees, contractors and visitors, in 2021, pre-deployment and on site COVID testing has been implemented.

Sabina follows leading environmental practices as defined by the national standards and IFC Performance Standards. Sabina continued to implement initiatives to further its commitment to environment protection.

Through the years, Sabina has prioritized engagement with local stakeholders. In order to minimize the spread of COVID on local communities, the Government of Nunavut ordered an off-limits policy to both Nunavut communities and employees. To support our long-term employees during this time, Sabina implemented a food program, providing money and access to food through local co-op stores to ensure employees could provide for their families.

During the year, Sabina also implemented and improved several policies reflecting the Company’s philosophy regarding company wide diversity, compensation, ethical conduct and accountability.

GOOSE PROJECT, BACK RIVER GOLD DISTRICT

Acquisition of the Back River Gold District Assets

The Back River Gold District 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 at the time of acquisition 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 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 Gold District if not the Company) to bring all or any part of the Back River Gold District 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 (as defined below), 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 until June 9, 2014. All share purchase warrants expired unexercised.

Description of the Goose Project (the “Property” or the “Goose Site”) at the Back River Gold District

In March 2021, the Company filed its UFS on the Goose Project at its Back River Gold District titled “National Instrument (NI) 43-101 Technical Report 2021 Updated Feasibility Study for the Goose Project at the Back River Gold District, Nunavut, Canada” dated March 3, 2021 with an effective date of January 15, 2021 prepared by Denis Thibodeau, P.Eng., John Morton Shannon, P.Geo., Dinara Nussipakynova, P.Geo., Jacinta Klabenes, P.Eng., PE, Maurice Mostert, F.Aus.IMM, Neda Farmer, P.Eng., Stacy Freudigmann, P.Eng., F.Aus.IMM., Ben Peacock, P.Eng., Richard Cook, P.Geo., Amber Blackwell, P.Geo., Michael Dawson, P.Eng., Vincy Benjamin, P.Eng., PMP, John Kurylo, M.Sc, P.Eng. and Shervin Teymouri, P.Eng., B.A.Sc., M.Eng. For full technical details in respect of the UFS, reference should be made to the complete text of the UFS which is available on SEDAR under the Company’s profile at www.sedar.com. The following summary does not purport to be complete and is subject to all the assumptions, qualifications and procedures as set out in the UFS and is qualified in its entirety with reference to the full text of the UFS.

The UFS presents the scope, design features, and economic viability of the Goose Project in southwestern Nunavut. In 2020, Sabina commissioned Sacré-Davey Engineering (“**SDE**”) to lead the compilation of this report which supersedes the 2015 JDS Energy & Mining Inc. Technical Report for the Initial Project Feasibility Study on the Back River Gold Property, Nunavut, Canada.

All dollar figures quoted in the Technical Report refer to Canadian dollars (\$) unless otherwise noted.

The following companies contributed to the Technical Report:

- SDE — on-site infrastructure, logistics, capital costs, operating costs, financial analysis, and report preparation;
- Mining Plus (“**MP**”) — Mineral Reserves estimate, mining, capital costs, and operating costs;
- DT Engineers Ltd. (“**DT**”) — off-site infrastructure, camp, and balance of plant;
- Canenco Consulting Corp. (“**Canenco**”) — processing and metallurgy;
- AMC Mining Consultants (Canada) Ltd. (“**AMC**”) — geology and Mineral Resources;
- SRK Consulting (Canada) Inc. (“**SRK**”) — water management infrastructure, tailings deposition approach, as well as surface geotechnical and permafrost considerations; and
- Knight Piésold Ltd. — mine geomechanics, tailings disposal, water management planning, environment, geochemistry, and mine closure.

Project Description, Location and Access

The UFS consists of open pit and underground mining at the Goose Site that will feed a 3,000 t/d whole-ore leach process plant increasing throughput to 4,000 t/d at the end of Year 2. Open pit mining will begin two years prior to mill commissioning to generate a stockpile of mill feed. The mill will then operate for 15 years of production. The plan is designed to produce doré bullion at an average of approximately 287,000 oz of gold per year in the first five years (with peak production of 312,000 oz of gold in year three) and approximately 223,000 oz of gold per year over the life of mine (“**LOM**”). A total of 18.7 Mt of ore is planned to be mined at a mill head grade of 6.0 g/t and a projected gold recovery of 93.4%. A total of 3.35 Moz of gold is projected to be recovered over the LOM.

The Goose Project will be constructed over a 36-month period at an initial capital cost of \$610 million. Thickened tailings will be stored in open pits as they become available, with the Echo pit to be completed before any ore processing (and associated tailings deposition) takes place.

Although Mineral Resources for both the Goose and George sites are reported here, only the Goose Site resources are considered for the feasibility level mining assessment, as documented in the Technical Report.

As part of the UFS, an initial 4,000 tpd mill was considered. However, at the time of the UFS work the settled tailings density was based on the previous pre-leach thickener test work. This work resulted in a lower Echo open pit tailings capacity and a decision to delay the mill expansion timeline.

Since the UFS, 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. This, in addition to optimized equipment selection and detailed engineering has reduced the cost of the expansion from C\$17m to C\$10m when compared to the UFS.

The Property lies 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 Agnico Eagle's Hope Bay Project (Doris), and 95 km southeast of the southern end of Bathurst Inlet.

The Property 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 LOM, in the summer open-water season ocean-going vessels will transport most equipment, supplies, and fuel to Sabina's Port, on the southern portion of Bathurst Inlet. Materials will then be transported on the WIR to the Goose Site by tractor-trailers and road tankers. Employees will work on a fly-in/fly-out shift-rotation basis and be housed in fully catered camps. Doré produced at the mine will be flown out to refineries in the south.

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 sites, payable to various third parties. Additionally, an income-tax-deductible net profit royalty is payable to the Crown.

Since exploration began in 1982, the Property has had several owners under both joint venture and direct ownership, with various operators: Homestake Mineral Development Company Ltd. supported periods of intensive exploration from 1987 to 1996; Kit Resources Ltd. (Kit) from 1997 to 1998; Kinross Gold Corp.; and Miramar Mining Corporation from 1999 to 2005. Dundee Precious Metals Inc. operated from 2005 up to 2009, when Sabina purchased the Property. Since taking ownership, Sabina has 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 structurally controlled gold mineralization, which is largely strata bound, within broad zones of sulphidized iron formation 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, wherever these units are present. Gold Mineral Resources are estimated within two principal areas of the Back River Property: the Goose and George sites. The UFS focuses on advancing the Goose Site only and does not incorporate the George Mineral Resources for economic analysis.

The Goose Site consists of six main deposits that contain predominantly structurally controlled gold mineralization: Goose Main, Echo, Umwelt, Llama, Llama Extension and Nuvuyak. Gold mineralization is predominantly hosted within the lower iron formation ("**LIF**") and, to a much lesser extent, the underlying sediments. The Goose Main, Umwelt, Llama, Llama Extension, and Nuvuyak deposits are associated with anticlinal structures that have been structurally thickened and disrupted, and cut by axial-plane parallel felsic dykes, which apparently trace in close proximity with fluid pathways that are related to mineralization.

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

Nuvuyak, a 2018 discovery, is a continuation of the central antiform from the Goose Main deposit and continues through an area of secondary cross-folding down plunge. The gold mineralization is predominantly hosted in polyphase-folded LIF stratigraphy. The tight to isoclinal central antiform geometry is very similar to that of the Goose Main deposit.

The George Site consists of six main deposits: LCP North (“LCPn”), LCP South (“LCPs”), Locale 1 (“Loc1”), Locale 2 (“Loc2”), GH, and Slave (“SL”). 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.

In addition, the Boulder and Boot prospects similarly consist of folded Beechey Lake sedimentary rocks with intercalated iron formations. The Del prospect contains the same folded sedimentary rocks as the other areas but lacks any observed iron formation horizons.

Exploration

Since acquiring the Property in 2009, Sabina has completed many surface-exploration campaigns, primarily in support of extensive drill programs, and to further improve the regional geological model. The activities are summarized by year in Table 1. Exploration was initially focused on the Goose Site but was rapidly expanded to encompass other regional target areas. This resulted in additional discoveries across the Property.

Year	Explored Areas	Exploration Activities
2009	Goose Site	Mapping, magnetics, IP, and horizontal-loop electromagnetic (HLEM) surveys
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 Sites	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 Prospects	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
2015	Goose Site	Ground magnetics survey, regional mapping, and sampling
	Boulder Prospect	Ground magnetics survey

Year	Explored Areas	Exploration Activities
	Goose & George Sites & Boulder Prospect	Pulp material selected for regional trace element study
2016	Goose Site & Boulder Prospect	Regional mapping and sampling, till sampling, historical core review, HLEM geophysical ground survey (Goose Site)
	George Site	Geological mapping, historical core review
2017	Goose Site & Boulder Prospect	Regional mapping and sampling, HLEM geophysical ground survey
2018	Boulder Prospect	Geological mapping and sampling, till-sampling grid extension, bulk till sampling, sampling for geochronology study
	Goose Site	Geological mapping and sampling, bulk till sampling, sampling for geochronology study
	George Site	Geological mapping and sampling, bulk till sampling, sampling for geochronology study
	Boot Prospect	Geological mapping and sampling, sampling for geochronology study
2019	Goose Site	Goose Main trench study
	Del Prospect	Geological mapping and sampling
2020	Goose & George Sites & Del Prospect	Regional versatile time-domain electromagnetic survey
	Goose Site & Del Prospect	Geological mapping and sampling
2021	Goose, George & Del	Surface and Underground mapping, till sampling

Drilling

2018

Sabina completed 36 exploration and three geochemical drill holes at the Goose Site, for a total of 22,456 m. Four holes, totalling 1,385 m, were drilled on the Boulder Prospect into the Vega and Rainbow targets. The holes were designed either to test structural geometries and geophysical anomalies, or to follow up on anomalous gold values in rock and till samples.

Ten holes, totalling 6,359 m, were drilled to extend and infill the Llama Extension deposit over 400 m of strike length. The Llama Extension drilling principally focused on expanding the up-plunge extent of the mineral zone towards the known Llama underground resource.

One hole was drilled through each of the Llama and Umwelt deposits, 440 m and 347 m, respectively, to test the geometry and mineralization of the DIF below a known high-grade ore body.

Four holes were drilled into the Vault Zone within the Umwelt deposit, for a total of 2,801 m, to infill the high-grade mineralization trend. Three holes, totalling 207 m, were also drilled in the proposed Umwelt open pit, and sent for geochemical analysis to determine if the waste rock would be suitable for use as construction material during Goose Project development.

Twelve holes were drilled into the Nuvuyak deposit, for a total of 8,737 m, including the discovery hole (18GSE545) that intersected 11.58 g/t over 39.50 m. Subsequent drilling extended the mineralized trend approximately 190m along strike and provided insights into the deposit geometry and mineralization controls.

Two holes, totalling 1,417 m, were drilled into the Hook target to test favourable mineralization trends. Six of the holes designed to test the Nuvuyak deposit also intersected the Hook stratigraphy and helped constrain the geometry of the LIF in the Hook target, as well as intersecting significant zones of gold mineralization.

Two holes were drilled in the upper sediments west of Nuvuyak, totalling 574 m, to determine the position of the axial planar QFP after it is folded by D2, and to test for a second anticline.

Two holes were drilled at Echo, totalling 1,183 m, to extend the mineralization down plunge of the known resource.

One 221 m-deep exploration hole was drilled in the limb of the synclinerium west of the Umwelt pit to target an HLEM and magnetic anomaly.

One hole was drilled to 170 m, at Goose Main, to test the mineralization at the outer margins of the planned open pit.

2019

Sabina drilled 10 exploration holes at the Goose Site, totalling 7,065m, including two wedges. Four holes and two wedges were drilled into the Nuvuyak deposit and the D2 fold hinge between the Nuvuyak and Hook target, for a total of 4,380 m. These holes extended high-grade mineralization both up and down plunge to give the Nuvuyak deposit a total tested strike length of approximately 370 m. Hole 19GSE564, also extended mineralization approximately 100 m down dip from the hinge of the Nuvuyak anticline into the western limb.

Two holes were drilled into the Llama Extension, for a total of 1,447 m, to test opportunities for expansion and continuity within areas of higher-grade mineralization within the trend. One hole was drilled up plunge of the Llama Extension in an untested 150 m gap, and the other was completed to test the continuity of higher-grade mineralization in several surrounding holes.

One hole (19GSE569) was drilled to 569 m, to test the continuity of the high-grade corridor up plunge of the Vault Zone within the Umwelt deposit.

One 669 m hole was drilled into the D2 fold hinge between the Hook target and the Goose Main deposit.

2020

Sabina drilled 21 diamond drill holes at the Goose Site, totalling approximately 8,095 m. The primary focus of the 2020 drilling program was to delineate and detail the nature of the high-grade structure at Umwelt, and to test its continuity between the bottom of the planned open pit and the Vault Zone. The high-grade structure is roughly coincident with the intersection of the easternmost Umwelt QFP, and the LIF in the eastern limb of the Umwelt anticline. Fourteen holes were drilled into this high-grade trend between the base of the planned open pit and the most up-plunge hole at the Vault Zone (19GSE569).

One hole was drilled to follow up on high-grade assays (up to 18.00 g/t Au over 10.04 m) from the Hook-Nuvuyak D2 fold hinge. Hole 20GSE580 was drilled up dip and up plunge of 19GSE566 and 19GSE566W2, to intercept the intersection of the QFP and LIF, closer to the anticline hinge.

Two holes were drilled to test geophysical anomalies defined by the 2020 VTEM geophysical survey. The first hole was drilled in the Jackaroo target area, south of Umwelt, and intersected discrete zones of moderate pyrrhotite mineralization in clastic sediments. The second hole was drilled in the Hackles target to test both a geophysical anomaly and the location of the Hackles QFP. The hole intersected the QFP near the top of the hole, and up to 5% pyrrhotite in iron formation and clastic sediments throughout.

2021

The 2021 exploration program at the Back River Gold project of western Nunavut consisted of a spring exploration drilling program, a geotechnical drill program. The spring drill program focused on the Goose property where two diamond drill rigs completed a total of 4580 m between March and June for both exploration and geotechnical drilling.

During the spring drilling campaign, the primary target was the Hook zone, a SE plunging antiformal structure within a D2 fold limb that lies between the Goose Main and Nuvuyak deposits. The current hypothesis is that the mineralizing trend that follows the F1 fold architecture is continuous along the D2 fold and makes Hook an attractive exploration target. The goal of the four drill holes planned for Hook was to test the mineralization potential in several key zones with new drill hole orientations designed to optimize the intersection of mineralized quartz veins in addition to the LIF.

The secondary drill targets included earlier stage exploratory tests of the Goose Lake EM 1 and EM 2 targets and the Wing and Llama DIF targets. A total of six drill holes tested the 350 m by 50 m, northwest trending, northern Goose Lake EM anomaly (EM 1), three drill holes tested the southern Goose Lake EM anomaly (EM 2), with the remaining balance of holes three drilled the Wing and Llama DIF targets. The Geotechnical drilling program, led by SRK, consisted of seven holes focused on the water management infrastructure around the Umwelt Dam and the Primary Pond structures. Overall, of the 25 holes drilled four were abandoned due to unfavourable ground conditions.

Highlights of the 2016-2021 drilling include the following:

- Discovery of the Llama Extension deposit followed by infill drilling that resulted in an Inferred Mineral Resource.
- Infill and optimization drilling at the Umwelt deposit, which converted portions of Inferred and Indicated Mineral Resources to Indicated and Measured Mineral Resources.
- Discovery of the Nuvuyak deposit, followed by extension drilling that resulted in an Inferred Mineral Resource.

Sampling Analysis and Data Verification

Samples are received by the laboratory, then sorted and dried prior to preparation. In 2020, samples were crushed and pulverized in Yellowknife before shipping to the laboratory for analysis.

Rock samples and core samples are primarily crushed in a jaw crusher to a minimum of 95% passing (P95) 10mesh. Equipment is cleaned between each sample with compressed air and brushes, and, where necessary, with barren rock. To verify compliance with QC specifications, the laboratory performs a screen test at the start of each group; every 50th sample; after a change of machine or environmental conditions; or when the nature of the sample appears different. All screen data are recorded in the laboratory database and are available at the client's request.

A representative split sample is obtained by passing the entire reject sample through a riffler, and by alternating catch pans before taking the final split. Rock and core pulp sizes are 1,000g. The remaining reject material is returned to a bag labelled "Reject," and stored. The subsample (referred to as the master pulp) is then pulverized to a minimum 95% passing 140 mesh in a pulverizing bowl of chrome-steel. Checks on screens are performed at the start of each group; every 50th sample; after a change of machine or environmental conditions; or when the nature of the sample appears different. All screen data are available for examination upon request. Pulverizers are cleaned with a sand wash at the start of each group, or whenever it is deemed necessary. A subsample of roughly 200 g (referred to as the coin pulp) is obtained by random sampling of the homogenized master pulp.

For each sample submitted, there is a:

- Reject sample.
- Master pulp of about 800 g.
- Coin pulp of about 200 g is split from the master pulp, then from the coin pulp, about 50 g is selected for FA; for select samples, 0.2 g is selected for ICP analysis.

For the 2017-2021 campaigns QA/QC sample insertion was carried out according to the following protocols:

- A gold certified reference material ("**CRM**") sample, every 20th sample, and at the beginning of every shipment.
- A multi-element CRM at the start of every shipment.
- A blank sample every 20th sample.

Subsequently, on return of the results the process consisted of the following:

- Every 4th sample with a value ≥ 0.2 g/t Au has a repeat pulp and reject duplicate analysis with the initial laboratory.
- Every 8th sample with a value ≥ 0.2 g/t Au has a pulp repeat analysis at a different laboratory carried out. Between 2017 and 2019, the pulp was submitted to ALS for analysis for a check assay, and to Actlabs in 2020 and 2021.

- Where there was insufficient sample for a duplicate, another ≥ 0.2 g/t Au sample nearby was selected.

Metallurgy

Multiple historical test work programs have been undertaken, including comminution, process mineralogy, mineral 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.

The test work indicated that, similarly to the historical test work, the mineral samples collected responded well to gravity concentration and cyanidation and showed a high degree of consistency. The previously developed process flowsheet was used to test the mine plan composites and Umwelt mineralized zones. Other engineering data were also generated, including tailings settling and viscosity, oxygen uptake and detoxification data. The 2020 test results were comparable to the results produced from the historical test programs.

Based on the current and historical test results, a combination of gravity separation and cyanide leach processes is proposed for the Goose Project. The concentrate from the gravity separation circuit will be leached separately.

The 2020 key result parameters are summarized as follows:

- A primary grind 80% passing (P_{80}) of approximately 50 μm .
- Gravity recovery, followed by:
 - Pre-oxidation of the gravity tailings for 16 h at 50% solids; and
 - Leach of the pre-oxygenated gravity tailings for 48 h at 50% solids; pH 11; dissolved oxygen (“DO”) above 20 ppm; 20 g/t PbNO_3 ; a NaCN concentration of 500 ppm; the last NaCN addition at 24 h, and the level of CN allowed to drift down to the 48 h termination.
- The average overall gold recovery for the Umwelt variability composites tested with the current flowsheet is 93.4%. After solution losses, the process design criteria gold recovery for the Umwelt mineralization is estimated at 92.9%.

For the detoxification circuit the key process parameters are as follows:

- SO_2 to weak acid dissoluble cyanide ratio at 5.0:1
- CuSO_4 addition at 20 mg/L
- Retention time at 90 min
- pH at 9.0
- Pulp density at 45%
- Target DO of 8 ppm.

Mineral Resource Estimate

The Property contains an estimated Measured and Indicated Resource of 33.5 Mt at 5.88 g/t Au, containing 6.32 Moz Au, and an Inferred Resource of 13.8 Mt at 6.44 g/t Au containing 2.86 Moz (Table 1-2). Mineral Resources are reported for both the Goose and George sites. However, the UFS focuses on advancing the Goose deposits: Llama, Llama Extension, Umwelt, Echo, Nuvuyak, and Goose Main.

Table 1-2: Summary of Mineral Resources as of 31 December 2020

Resource Classification	Tonnes ('000s)	Grade (g/t Au)	Au (oz '000s)
Measured	9,707	5.75	1,796
Indicated	23,745	5.93	4,525
Measured and Indicated	33,452	5.88	6,321
Inferred	13,794	6.44	2,856

Source: AMC, 2020.

Notes: CIM Definition Standards for Mineral Resources & Mineral Reserves (CIM, 2014) was used for reporting the Mineral Resources.

The Qualified Person is Dinara Nussipakynova, P.Geol., of AMC.

Measured and Indicated Mineral Resources are inclusive of Mineral Reserves.

Metal price: US\$1,550/oz for gold.

Exchange rate: C\$1.31:US\$1.00 exchange rate.

Process Recovery: Goose deposits is 93% and for George deposits is 95%.

COG: for Goose and George deposits, open pit is 1.4 g/t Au; Goose deposits underground is 3.0 g/t Au;

George deposits underground is 3.5 g/t Au.

Goose Mineral Resources deposits are Goose Main, Umwelt, Echo, Llama, Llama Extension, and Nuvuyak.

George Mineral Resources deposits are LCPn, LCPs, Loc1, Loc2, GH, and SL.

Open pit Mineral Resources are constrained by an optimized pit shell using gold price and exchange rate stated above.

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

Drilling results for Goose Main, Echo, Llama Extension and Nuvuyak are up to 15 November 2020.

Drilling results for Umwelt are up to 16 October 2020.

Drilling results for Llama and all George deposits are up to 31 December 2013.

The numbers may not add due to rounding.

The open pit Mineral Resources for the Goose deposits are reported within conceptual open pit designs at a 1.4 g/t Au cut-off. The underground Mineral Resources are reported at a 3.0 g/t Au cut-off.

The open pit Mineral Resources for the George deposits are reported within conceptual open pit designs at a 1.4 g/t Au cut-off. The underground Mineral Resources are reported at a 3.5 g/t Au cut-off, with the wireframes expanded to a minimum 2 m mining width.

In both cases a gold price of US\$1,550/oz and an exchange rate of C\$1.31:US\$1.00 were used.

The Mineral Resource estimate is based on geologic block models that incorporated the following data within the mineralization wireframes:

- 722 drill holes (for a total of 234,168 m and 126,341 assays) at the Goose Site on the Llama, Llama Extension, Umwelt, Echo, Nuvuyak, and Goose Main deposits
- 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 SL deposits.

Mineralized domains were constructed to constrain the estimates using a gold threshold of 0.3 g/t for most deposits at the Goose Site and all deposits at the George Site. Capping was employed where required and varied by deposit. Data density allowed for Measured Mineral Resources to be classified at the Goose Main, Llama, and Umwelt deposits. Indicated Mineral Resources were reported at Goose Main, Echo, Llama, Umwelt, and the George deposits, with Inferred Mineral Resources reported for all deposits, including Llama Extension and Nuvuyak.

Mineral Reserve Estimate

The Mineral Reserve estimate for the Property is based on the Mineral Resource estimate that AMC completed for the Llama, Umwelt, Goose Main, and Echo deposits, with an effective date of 31 December 2020.

The Mineral Reserves were developed by examining each deposit to determine the practical mining method. Cut-off grades (“**COG**”) were then estimated based on appropriate mine design criteria and the adopted mining method. Llama, Umwelt, Goose Main, and Echo will be mined via both open pit and underground methods. A truck-and-shovel method was chosen for open pit mining. The underground methods chosen were drift-and-fill (“**DF**”) for Llama and Goose Main, cut-and-fill (“**CF**”) for Umwelt, and longhole stoping for Echo. For the purposes of the UFS, no Mineral Reserves are reported from the George Site as the George deposits are not part of this study.

The estimated Proven and Probable Mineral Reserves total 18.7 Mt at 5.97 g/t Au, containing 3.6 Moz Au (Table 1-3).

Table 1-3: Summary of Estimated Mineral Reserves (as of 15 January 2021)

Area	Classification	Diluted Tonnes (‘000s)	Diluted Grade (Au g/t)	Contained Au (oz ‘000s)
Total Open Pit	Proven	7,471	5.42	1,302
	Probable	2,412	4.80	372
Total Underground	Proven	537	7.21	124
	Probable	8,272	6.73	1,790
Total Back River Property	Proven	8,008	5.54	1,426
	Probable	10,684	6.29	2,162
Total Proven and Probable	Open Pit & Underground	18,692	5.97	3,588

Source: MP, 2021.

1. A gold price of US\$1500/oz is assumed.
2. An exchange rate of CDN\$1.31 to US\$1.00 is assumed.
3. The numbers might not add due to rounding.
4. Diluted Au grades are shown/listed for both COG and Mineral Reserves.
5. Notes for open pit:

Dilution and recovery factors are applied as per open pit mining method.

A COG of 1.72 g/t was used on undiluted grade for the Umwelt Open Pit Mineral Reserve Estimate.

A COG of 1.74 g/t was used on undiluted grade for the Llama Open Pit Mineral Reserve Estimate.

A COG of 1.70 g/t was used on undiluted grade for the Goose Main Open Pit Mineral Reserve Estimate.

A COG of 1.60 g/t was used on undiluted grade for the Echo Open Pit Mineral Reserve Estimate

6. Notes for underground:

Dilution and recovery factors are applied as per underground mining method.

A COG of 3.9 g/t was used for the Umwelt underground Mineral Reserve Estimate.

A COG of 4.1 g/t was used for the Llama underground Mineral Reserve Estimate

A COG of 4.1 g/t was used for the Goose Main underground Mineral Reserve Estimate

A COG of 3.5 g/t was used for the Echo underground Mineral Reserve Estimate

The Mineral Reserve estimation takes into consideration on-site operating costs (e.g., mining, processing, site services, freight, and general and administrative (“**G&A**”)), geotechnical analysis, metallurgical recoveries, and selling costs. In addition, the Mineral Reserves incorporate allowances for mining recovery and dilution, and overall economic viability.

Mining Operations

The UFS contemplated a mill producing 3,000 tonnes per day (“**tpd**”) for the first two years, increasing to 4,000 tpd in year two with a sustaining capital cost for the expansion of ~C\$17m.

As part of the UFS, an initial 4,000 tpd mill was considered. However, at the time of the UFS work the settled tailings density was based on the previous pre-leach thickener test work. This work resulted in a lower Echo open pit tailings capacity and a decision to delay the mill expansion timeline.

Since the UFS, 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. This, in addition to optimized equipment selection and detailed engineering has reduced the cost of the expansion from C\$17m to C\$10m when compared to the UFS.

The current mine plan includes the complete mining of the Echo open pit and seven quarters of mining from the Umwelt open pit during the construction phase of the project. As per the UFS, this provides 2.2 million tonnes (“**Mt**”) of stockpiled ore containing 373,000 ounces of gold, including 936,000 high grade tonnes at 8.4 g/t gold prior to commissioning of the mill. In addition, the current mine plan includes an additional 3.5 Mt mined in the first 3 years of operations, enabling 4,000 tpd of mill capacity without the need to increase the mining rate or modify the existing mine plan.

Annual mine production of ore and waste is profiled to peak at 12.2 Mt/a from the open pits, with a LOM waste-to-ore stripping ratio of 10:1. Ore production from underground mining will peak at 0.8 Mt/a, and will supplement the feed from the open pits. To optimize Goose Project cash flow, the run-of-mine (“**ROM**”) ore is planned to be segregated into high-, medium-, and low-grade stockpiles located adjacent to the processing plant. The high-grade stockpile contains material greater than 8 g/t Au. The medium-grade stockpile contains material between 5 and 8 g/t Au. The low-grade stockpile contains material below 5 g/t Au but above the respective COG. These stockpiles will also serve to buffer mill processing from mining production.

The underground mining areas are scheduled to target higher grade material to be delivered from the Umwelt and Llama deposits early in the mine life.

Mining will begin at the Goose Site in Year -2 at the Echo pit to provide waste rock for construction and enable the stockpiling of ore prior to the start of plant processing. Open pit mining will then transition sequentially to the Umwelt, Llama, and Goose Main pits. Open pit mining will be completed during Year 12. Underground mining will commence in Year -1 with the Umwelt decline. Underground ore production at Umwelt will begin in Year 1 and will continue into Year 15. The remaining underground deposits are mined in parallel with the Umwelt underground, but in the following sequence: Llama, Goose, and finally Echo.

Open pit mining operations will use a fleet comprising 7 m³ shovels, a 10 m³ front-end loader, 4 m³ excavators, and 64-tonne haul trucks. This fleet will 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 will be carried out using DF, CF, and longhole stoping mining methods and will use a combination of two-boom jumbos, longhole production drills, 14-tonne LHD vehicles, and 45-tonne haul trucks.

Recovery Methods

The process plant was designed to produce gold doré using conventional crushing, grinding, gravity concentration, pre-oxidation, gold leaching by cyanidation, gold adsorption by CIP, and gold recovery from loaded carbon and gravity concentrate. Cyanide destruction of the tailings will be by sodium metabisulphite (“**SMBS**”). 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 ROM mineralized material to P₈₀ approximately 9.5 mm
- Fine ore stockpile (feeding the mill) with a live capacity of 2,000 tonnes
- Grinding and gravity circuit comprising a ball mill (P₈₀ approximately 106 µm), a fine grind mill (P₈₀ approximately 50 µm), and three centrifugal gravity concentrators
- Cyanide leaching and carbon adsorption circuit
- Carbon stripping and reactivation circuit
- Gold electrowinning and refining circuit producing bullion
- Tailings handling circuit, including cyanide destruction with sodium metabisulphite SMBS and thickening.

Project Infrastructure

Existing Infrastructure

Goose Site

In past years, Sabina’s team has prepared a 20 km network of roads around the Goose plant site, with access roads that tie the exploration camp site to the quarry sources, Echo pit, the plant site, and the Umwelt decline location. In past years, over 1 ML of fuel were stored. Sabina has a fully functional airstrip that is 4,500 by 100 ft that can cater to a loaded (~22,000 kg) C-130 Hercules. There are two seasonally operational ice airstrips that will carry larger loads if needed. These ice strips have been used in previous years. Sabina has been operating from a 150-person exploration camp with kitchen, dining, and recreational facilities. The camp has all the necessary potable water and incinerator ancillary systems to support its operations. The Goose site is also equipped with two fully functional 12 x 18 m workshops, and work can be performed year-round. Adequate quarry sources have been identified, and sufficient laboratory testing was completed to check the potentially acid generating (“**PAG**”) and non-potentially acid generating (“**NPAG**”) characteristics. Sabina has invested in a fleet of equipment to assist in earthwork, pre-production mining, and process plant construction.

Port Site

The Port has a fully functional and efficient 40-person camp with kitchen and dining facilities. There is a 3,000 ft gravel airstrip that is completely operational. For receiving sea freight there is a fully functional unloading pad with roll-on roll-off equipment to support the undertakings, and a laydown area that can accommodate approximately 800 containers. Additionally, the camp facility is supported by a 12 x 18 m workshop to support logistics and a similar workshop for the WIR program. Sabina has successfully operated three sealift programs and one WIR program. In 2019, Sabina successfully constructed and operated a 172 km WIR and has the necessary equipment and support infrastructure to run future programs. During the 2019 campaign, Sabina also built a 10 ML fuel tank farm with containment at the Port. The UFS includes additional storage capacity for 30 ML prior to commissioning with a further 15 ML to be installed during mine operations, for a total of 55 ML of capacity at the Port. Sabina has invested in an equipment fleet to assist in logistics support and WIR requirements.

Planned Infrastructure

Due to the Property's remoteness, significant infrastructure is required for freight, power generation, and worker accommodation. Both the Port and Goose sites have bulk 10 million litre fuel storage tanks; laydown yards; diesel power plants; maintenance shops; accommodation camps; water and domestic waste management facilities; and satellite communications. Existing all-weather airstrips will be used at the Goose and Port sites. In winter these sites will be connected by a WIR. All-weather roads allow for year-round access within each site.

The major infrastructure related to the mining and processing operations at the Goose Site includes the process plant; tailings storage ("**TS**"); waste rock storage area ("**WRSA**"); 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 at the Goose Site.

The Port will 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 Goose Project infrastructure need to be able to store and transport the required quantities of equipment, materials, and supplies. Diesel will be received and stored in tanks at the Port, providing sufficient capacity for peak operating needs of power generation and mobile equipment for one year. Similarly, subsequent annual requirements for consumables, such as processing reagents, maintenance materials, and bulk supplies, will be stored in heated or cold storage warehouses, laydown yards, and sea containers.

The installed power-generating capacity will be 18 MW at the Goose Site and 0.675 MW at the Port. Buildings and facilities at the Goose Site will be heated by heat recovered from the power plant, as well as electric and oil-fired heating systems. The underground mine air will, where required, be heated by a dedicated diesel-fired furnace.

The accommodation complexes will be modular units constructed off-site. The construction phase at the Goose Site will accommodate approximately 500 workers. For operation of the Port accommodations for up to approximately 40 workers are available.

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, will be built on competent bedrock. Less-sensitive structures and linear surface elements, such as roads, pipelines, and airstrips, will be built on overburden soils and include an appropriate thermal protection layer.

Tailings Management

The Goose Project will produce a total of 18.7 Mt (15 Mm³) of tailings over the LOM. As part of the UFS all the Goose Site tailings will be deposited into the Echo, Umwelt, and Llama pits. Therefore, no large tailings dams are planned for the Goose Project. The move from employing a purpose-built TSF to tailings deposition in pits is a change from the 2015 Feasibility Study. Tailings will be thickened in the process plant and placed sub-aqueously within the pit TS to minimize ice entrainment. The tailings in the Echo Pit will eventually be covered with waste rock, while the tailings in the Umwelt and Llama Pits will have water covers. The Goose Main pit will not be required for tailings disposal, and instead will be the final repository for saline water generated on the Property.

Waste Rock Management

Over the LOM, approximately 100 Mt of waste rock will be produced from underground and open pit mining, including unconsolidated overburden. Waste rock is categorized as being either PAG or NPAG.

Waste rock will 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 pre-production phase of mining.

Generally, waste rock will be placed in its final location, and configuration within WRSA constructed near the source pits. As per the approved current permit, the closure strategy is for the waste rock to freeze; PAG material will be capped with a 5 m thick NPAG cover.

Water Management

Water management planning covers all phases of the Goose Project from construction through operations to final closure and considered variations in possible climatic and operational conditions. The Port does not require water management infrastructure beyond best management practices.

Three types of water will be managed at the Goose Site as follows:

- Contact water—surface water runoff that contacts disturbed areas. This includes runoff from WRSAs, ore stockpiles, open pits, and infrastructure rockfill pads.
- Saline water—groundwater inflows from underground developments that extend below the basement permafrost and open pit mining where a talik zone is present.
- Non-contact water—all other surface runoff that does not contact disturbed areas.

Contact water will be used to meet process water requirements to the extent possible, so that make-up water withdrawals from Goose Lake are minimized. The handling of contact water is also influenced by tailings disposal plans and the suitability of the water for discharge to the environment.

Non-contact water diversions will be constructed to minimize the volume of contact water on site.

The volume of saline water requiring temporary storage on surface will be reduced using reverse osmosis (“RO”) so that it is less than the available storage, until the final repository (Goose Main pit) becomes available.

Previous mine plans and corresponding water and load balances completed for the Goose Project (JDS, 2015; SRK, 2015a, 2020) did not require discharge of contact water during the construction or operation phases. Under the current mine plan, water is required to be discharged during operations. This is due to the mining of two open pits during the construction phase without concurrent processing (which consumes reclaim water) or the construction of a surface purpose built impoundment TSF (that can provide temporary storage, required) that excess contact water from the open pits and WRSAs will require discharge to the environment. During operations, RO treatment of the saline water will now generate a significant surplus of freshwater. Hence, the discharge of contact water will be required in most years during the operation phase.

An Excel-based annual water balance was developed for the Goose Site to establish water-management plans for construction, operation, and closure phases of the mine.

Water-management facilities associated with the Goose Site will include the following:

- A freshwater intake in Goose Lake, related pipelines, and the water treatment plant.
- A primary pond for storing process water and collecting Umwelt WRSA runoff.
- A saline water pond (“SWP”) for the temporary storage of saline water and brine from the RO plant.
- An ultra-high recovery RO plant including pre-treatment and subsequent polishing to reduce the volume of saline water to be managed temporarily at surface.
- Event ponds at the Echo and Llama WRSAs and plant site.
- Freshwater diversions intended to minimize the volume of contact water requiring management.
- Surface diversions to temporarily redirect flows around mining areas.
- Barges, temporary intakes, and pipelines associated with lake dewatering (Llama and Umwelt Lakes) and reclaiming water from the primary pond and tailings facilities (“TF”).
- A water-treatment system in the process plant to treat elevated concentrations of ammonia, arsenic, and copper in reclaim water may be required in Years 6 through 15 of operation.
- Local management of site runoff from development areas during active construction.

Key aspects of water management (lake dewatering, contact water management, and saline water management) are described below.

Lake Dewatering During Construction

Both Llama Lake (natural capacity 0.96 Mm³) and Umwelt Lake (natural capacity 0.24 Mm³) will be dewatered to Goose Lake in the open-water season of Year –1 in advance of open pit mining. It is assumed that 50% of the lake water volume will be suitable for direct discharge to Goose Lake via Umwelt Lake. The remaining 50% is assumed to have total suspended solids concentrations above the discharge limit and will be treated in a modular water treatment plant. Effluent will be discharged to Umwelt Lake and ultimately flow into Goose Lake.

Contact Water Management

Based on geochemical evaluations of previous mine plans, SRK (2015a) predicted the water quality for runoff from the ore stockpile, tailings beach, WRSAs, pit walls, and pit high walls (applicable to post-closure). Only the tailings beach was found to exceed the discharge limits in Schedule 4 of the Metal and Diamond Mining Effluent Regulations (MDMER) for arsenic. This was a factor in deciding to permanently submerge the tailings at all locations with a 5 m deep water cover.

The annual water balance shows that during each year in construction, there will be a surplus of contact water requiring discharge to the environment. During this period, discharges will occur from the plant site pond and Echo pit and Echo WRSA pond. Water reporting to the Umwelt pit during this period will be pumped to the primary pond for storage, with no discharge required. During operations, contact water from event ponds will be managed in the Echo TF (Years 1 to 3 only), the Umwelt TF or the primary pond. No discharges of contact water will be required in Years 1 and 2. Between Years 3 and 13, an average of 300,000 m³ of contact water will be discharged to the environment following water treatment for ammonia, arsenic, and copper. In Year 14 and 15, surplus contact water contained in the Umwelt TF and/or primary pond will be pumped to the Llama TF to assist in flooding.

Saline Water Management

Groundwater inflows to the Llama, Umwelt, and Goose Main underground mines are expected to occur where underground workings extend below the permafrost. Groundwater will also flow into the Llama pit due to the presence of an open talik in the dewatered Llama Lake. The groundwater is estimated to be hyper-saline (salinity of 51‰ to 73‰) with CaCl₂ and NaCl as the dominant salts, and with salinity increasing with depth (Rescan ERM, 2015). Estimated concentrations of arsenic (0.008 to 0.047 mg/L), boron (2.5 to 5.3 mg/L), iron (0.9 to 8 mg/L), and zinc (0.18 to 1.0 mg/L) are noted due to their naturally enriched concentration relative to the Canadian Council of Ministers for the Environment (2015) guidelines for the protection of freshwater aquatic life. This chemistry and elevated salinity increase with depth, which is commonly observed in permafrost environments.

Knight Piésold extrapolated groundwater inflows from SRK's (2015b) previous work to develop saline groundwater estimates for the current mine plan. The geometry of the Llama underground, Llama pit, and Goose Main underground have not changed materially since the previous feasibility study, but the length of time over which each of these have been mined has increased. The higher year-inflow values applied to the additional years of mining.

The Umwelt underground is the main source of groundwater inflows at the Goose Project, previously representing more than 50% of the saline water produced over the LOM. The Umwelt underground has increased in size and depth in the UFS, and thus groundwater inflows can be expected to increase accordingly. Knight Piésold reviewed the mine development plan for the Umwelt underground and assigned groundwater inflow estimates to each year based on the previous groundwater inflows.

Considering freshwater inputs into the temporary storage locations, without treatment approximately 7.1 Mm³ of saline water will require management. This exceeds the available temporary storage in the SWP (1.79 Mm³) and the Llama TF (4 Mm³ excluding tailings and freshwater inputs), and hence ultra-high recovery RO water treatment will reduce the volume of saline water (brine, following treatment) requiring temporary storage up to 4.4 Mm³. As early as Q3 Year 12 through Year 13, the brine and supernatant water mixture in the Llama TF will be

transferred to the Goose Main pit. The contents of the SWP will be transferred to the Goose Main pit in Year 14, allowing for the pond to be decommissioned in Year 15. The Goose Main pit will have received approximately 5.9 Mm³ of brine, saline water, and tailings supernatant by the end of Year 14, compared to its capacity of 17.3 Mm³. Hence additional storage will be available for saline water and brine, if needed.

Environmental Studies, Permitting, and Social or Community Impact

Sabina has an established sustainable development policy, and has staff dedicated to the environmental and social performance of the Goose Project, including at the executive level. The environmental team conducts environmental monitoring at the Goose Project sites, and actively maintains permits and approvals covering the existing and proposed facilities required for mine development.

Extensive baseline studies were carried out between 2010 and 2014, leading to the submission of a Final Environmental Impact Statement to the Nunavut Impact Review Board (the “**NIRB**”) in 2015 (Sabina, 2015). Additional baseline and monitoring programs have been underway since that time to establish a robust pre-development data set to which future environmental monitoring during mine development can be compared.

Sabina has obtained all necessary approvals and permits required for constructing and operating the Goose Project. The major approvals and permits include:

- Project Certificate No. 007 (NIRB, 2017)
- Type A Water Licence 2AM-BRP1831 (NWB, 2018) and other Type B water licences covering exploration activities
- *Fisheries Act* Authorization for serious harm to fish and fish habitat (Fisheries and Oceans Canada, 2018) and other Letters of Authorization for minor in-water works
- Completion of the Schedule 2 process under the Metal and Diamond Mining Effluent Regulations (Minister of Justice, 2020)
- Commercial leases KTCL-18D001, KTCL-18D002, and KTCL-18D003 covering the mine, Port, and winter road (KIA, 2018)
- Land use permits from CIRNAC
- Various approvals under the *Canadian Navigation Protection Act* from Transport Canada.

Sabina and the Kitikmeot Inuit Association (“**KIA**”) finalized an IIBA in April 2018. The parties entered a renewable 20-year benefit and land tenure agreement under a framework agreement setting out rights and obligations with respect to surface land access on Inuit-owned land on the Goose Project. Additionally, these agreements provide Inuit of the Kitikmeot Region with financial and socioeconomic benefits, including training, jobs, initiatives to create additional opportunities outside of the mining industry, shared ownership in Sabina, and a 1% NSR royalty on future production from the proposed mine on the Goose Site.

These are comprehensive milestone agreements that provide the long-term certainty of tenure required to de-risk, finance, develop, and ultimately mine at Back River. The IIBA also commits Sabina to providing various socioeconomic opportunities throughout the Kitikmeot Region, including preferential employment; contracting; the formation and terms of an Inuit Environmental Advisory Committee; training for local Inuit people; continued implementation of

a Kitikmeot-focused donation policy; and the payment of all applicable taxes and royalties to governing bodies. The IIBA is managed by a joint committee of appointed members from both Sabina and the Kitikmeot Inuit Association, dedicated to ensuring implementation of the terms contained within.

Sabina has continued to maintain long-standing relationships in Nunavut, and within the Kitikmeot Region in which the Goose Project is situated, with the communities potentially affected by the Goose Project: the KIA, Nunavut's Institutes of Public Government, the Government of Nunavut, and federal regulatory agencies. Consultation records are maintained in a database.

An Interim Closure and Reclamation Plan was approved by the NWB under the Type A Water Licence, and the financial security is posted to CIRNAC for water-related closure costs and the KIA for land-based reclamation activities associated with the Goose Project. The amount of security required was agreed upon during the regulatory phase in 2018. The Preliminary Closure and Reclamation Plan has been updated as part of the Technical Report to reflect changes to the mine plan, and closure costs have similarly been reviewed and indexed for inflation (Knight Piésold, 2021).

Capital and Operating Costs

Capital Cost Estimation

The initial capital cost estimate is \$610 million, as summarized in Table 1-5. Costs are expressed in Q4 2020 Canadian dollars, with no escalation.

Table 1-5: Summary of CAPEX by WBS Level 1 Category

CAPEX	Initial (\$ million)	Sustaining (\$ million)	LOM (\$ million)
Mining ¹	56	348	404
On-Site Development	6	3	9
Ore Crushing and Handling	28	0	28
Process Plant	91	13	104
On-Site Infrastructure (Goose)	97	5	102
Off-Site Infrastructure	2	-	2
MLA	19	4	23
Tailings	5	-	5
Indirect Costs ²	177	4	181
EPCM	6	-	6
Owner's Costs	68	-	68
Reclamation	-	42	42
Subtotal	554	419	973
Contingency	56	-	56
Total CAPEX	610	419	1,029

Source: SDE, 2021.

Notes: ¹ Includes labour and equipment.

² Explosives, fuel, maintenance spares, and consumables.

Numbers may not add due to rounding.

Capital cost estimates were developed using engineering calculations and measurements based on three-dimensional (3-D) models or engineering drawings as applicable, applying directly related project experience, and the use of general industry factors. Wherever possible, the estimates used for the Goose Project were obtained from engineers, contractors, and

suppliers who have provided similar services to existing operations and demonstrated success in executing the plans set forth in the study.

The capital estimates include all pre-production mining activities in Years -3, -2 and -1, and are based on Owner-performed construction and mining. All equipment on site is owned by Sabina. The capital estimate is based on the execution plans described in the Technical Report. Sunk costs and Owner's reserve were not considered in the capital estimate. The sustaining capital estimate is based on required underground development; mining equipment acquisition and rebuilds; and mining infrastructure installations as per the mine plan. The sustaining capital also includes a nameplate capacity expansion of the process plant to 4,000 t/d in Year 2 of operation.

Operating Cost Estimation

The average LOM unit operating cost is estimated at \$141/t processed, summarized in Table 1-6.

Table 1-6: OPEX Summary

OPEX	LOM (\$ million)	Tonnes Processed ² (\$/t)
Open Pit Mining ¹	355	18.97
Underground Mining ¹	715	38.22
Processing	693	37.06
Site and Offsite Services Including Freight	450	24.04
G&A, Camp, and Owner's Costs	415	22.21
Total OPEX	2,627	140.50

Source: SDE, 2021.

Notes: ¹ Average LOM open pit mining cost amounts to \$4.16/t mined at a 10:1 strip ratio; average LOM underground mining cost amounts to \$81/t mined.

² Mining costs are averaged over total mine production.

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

- Mining operations will be performed by the Owner using Owner-purchased equipment.
- Electrical power will be generated at site using fuel delivered to MLA at the 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 expanding to 4,000 t/d in Year 2 (~1.1 Mt/a) of ore.
- The mine will use a peak total workforce of approximately 580 people, including all contract labour.

Economic Analysis

All currencies are in Canadian dollars unless otherwise specified. Base case economics are based on a gold price of US\$1,600/oz Au and an exchange rate of 1.31:1 (C\$:US\$)

- The Project generates a post-tax IRR of 27.7% and NPV (at 5% discount rate) of \$1.1 B;

- The Project generates Life Of Mine (“LOM”) post-tax net cash flow of ~\$2.0 B on gross revenues of \$7.0 B with a payback period of 2.3 years (from start of operations);
- Initial capital estimate of \$610 million and LOM sustaining capital and closure costs of \$419 million;
- Total LOM cash cost estimate of US\$679/oz Au (including third party royalties, refining and transport);
- LOM all-in sustaining cost estimate of US\$775/oz Au LOM (including sustaining capital & closure costs);

Project Execution and Development

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

Exploration, Development and Production

Engineering

CGT Industrial has provided Sabina with a fixed priced proposal of CAD \$130 Million, with an agreed rise and fall mechanism, for materials and consumables for the process plant (crushing circuit, grinding circuit, CIL circuit, pre-leach and tails thickener with tails pumping, gold room, E-houses, control room, O2 plant, fresh water, Truck shop and fire water systems). These components make up approximately 85% of the direct works on site. The proposal is comparable to within 5% of the feasibility study estimate.

Sabina has completed the detailed engineering activities for the plant process and power plant components with engineering drawings and has also finalized vendor drawings from the Original Equipment Manufacturers (FLS/Toromont). Sabina also focused on completing the engineering for the fuel farms for both the Goose and Port sites as well as initiated detailed designs for the water and sewer treatment plants.

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

The last geotechnical hole required to assess water management structures has been completed and the final report is being prepared. Associated construction design for culvert crossing and stream diversions has been completed and received approval for construction.

With finalized design completed and vendor quotes in hand, the team is advancing to perform a higher confidence control cost estimate conforming to an AACE class 2 level.

Procurement

As a part of de-risking the project, Sabina focused on and was successful in achieving its three purchasing goals which included:

- Ensuring equipment is available to complete sufficient civil works to enable the pouring of concrete foundations for the process plant and truck shop and erection of the buildings, and that the permanent camp laydown area is of sufficient size to install the permanent camp complex;
- Having all equipment in place by YE 2021, in preparation to commence construction of a WIR, working from both the Goose and Port sites; and
- Ensuring the open pit mining fleet is available to begin work in Q2, 2022.

All construction equipment purchased for 2022 is currently at the Port and ready for transport to Goose over the WIR. Sabina has also purchased an additional two million liters of fuel for 2022 site construction activities.

Testing Work

Geotechnical work done in 2021

- Visual identification
- Sieve Analysis and Hydrometer (Particle Size Distribution)
- Atterberg Limits
- Specific Gravity
- Settling Test (drained and undrained)
- 1D Consolidation with incremental loading
- Rowe Cell (with hydraulic conductivity)

Umwelt Exploration Ramp

Over 700m of development has been completed at the Umwelt exploration ramp. Underground heat and a portal canopy to protect against snow build in the box cut has been installed along with a fully operational underground workshop.

Pre-development Construction Readiness Activities

Goose Site

2021 was a successful earthworks season. Work completed includes:

- Truck shop area cleared to rough grade and ready for concrete foundation placement;
- Process Plant area cleared to rough grade and ready for concrete foundation placement;
- Road network expanded to include a pioneer road to the Echo pit complete and to the Llama pit scheduled to be completed by the end of November;
- 10M liter fuel tank erected at Goose;
- Permanent laydown pad completed near the process plant;

- First phase of the Accommodation complex pad is completed ready for complex assembly in the new year. The pad is 75% complete overall;
- Under-ground storage pond 60% complete;
- Material management systems implemented for ordering, receiving and invoice reconciliation;
- Warehousing efficiency improved to reduce potential equipment downtime;
- More heavy-duty technicians employed to ensure equipment availability;
- Goose Project administrators added to ensure full time coverage of key roles; and
- Full time safety personnel at site.

Port Facility

Significant work has been completed at the Port site, including:

- Approx. 25,000m² of additional laydown created;
- Changes to existing road alignments completed to improve overall site traffic pattern;
- 10M liter fuel containment completed;
- Successful unloading of fuel from the barge to tank validating the efficiency of bulk unloading program;
- New maintenance shop erected;
- New hard-wall camp assembly has begun and is scheduled to be completed by end of November;
- Pipe bench for future fuel transfer pipeline is approximately 60% complete; and
- Equipment ready program for the WIR and new WIR forward camp construction in progress.

Sealift

During the 2021 summer shipping season, the Port facility received three sailings from the west and two from the East. All construction/mining equipment required for 2022 was received and offloads were executed successfully, without incident and quicker than scheduled.

Planning for the 2022 sealift is now underway.

Exploration

The 2021 drilling campaign tested the Hook zone which is thought to be the link between the Goose Main and Nuvuyak deposits, as well as drilled four early-stage targets, progressing the target pipeline on the Goose Property.

At Hook, the successful four-hole program was highlighted by hole 21GSE600 which returned 5.42 g/t Au over 28.05 m, including 12.68 g/t Au over 5.30 m (see press release August 10, 2021) supporting Hook as a key mineralizing trend linking the Goose Main and Nuvuyak deposits. All Hook drilling results are being integrated into the geological and mineralization modelling in support of future follow up drilling in 2022.

Additionally, four early-stage targets were tested, including the Wing zone, two targets associated with strong electromagnetic (EM) anomalies and a secondary iron formation target, the Llama Deep Iron Formation (“DIF”) (Figure 1). Highlights include a strong intersection of 8.37 g/t over 6.55 m from drillhole 21GSE601 in the Wing zone; the successful discovery of a

new mineralizing structure associated with a previously un-drilled EM anomaly; and the identification of a new iron formation horizon located outside the main LIF horizon.

2022 Exploration Plans

A planned 3,500-meter spring surface exploration drill program has started, with a focus on targeting the interface between the planned open pit and the down plunge zone at Umwelt. This drilling will allow for further characterization of the geology and mineralization of higher-grade gold zones in those areas which will inform optimization of the open pit and underground mine designs.

Once complete, drilling will move to the Hook zone which is believed to be part of the gold structure linking the Goose Main and Nuvuyak gold deposits. Drilling is planned to be completed by mid April.

Qualified Persons

Ms. Nicole Lasanen, P.Geo. and Technical Services Manager for Sabina Gold & Silver Corp. and Vincy Benjamin, P.Eng, PMP and Director of Engineering for the Company are Qualified Persons under the terms of NI 43-101 and have reviewed the technical content of this AIF and have approved its dissemination.

OTHER PROPERTIES

HACKETT RIVER SILVER ROYALTY

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 had not been completed by this date, Glencore could 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 could have exercised 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 had 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 had until May 14, 2019 to exercise its Buy Back Right. Sabina estimates the buy back purchase price would have been approximately C\$102 million.

Sabina elected not to exercise its Buy Back Right.

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 (as defined 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 (now Wheaton Precious Metals Corp.) and the Company are a party to a Right of First Refusal Agreement dated 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 Silver Wheaton waived its right of first refusal in respect of the Hackett Agreement; in consideration for this waiver, Sabina agreed that, among other things, Silver Wheaton's right of first refusal will apply to the sale or assignment by Sabina of the Royalty Agreement.

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

Failure to Comply with Restrictive Covenants or Maintain Financial Covenants under the Facility

On February 7, 2022, the Company entered into the Facility. The Facility contains a number of restrictive covenants which, amongst other things, may limit the Company's ability to carry out certain activities. As a result of these restrictions, the Company may be limited in how it conducts its business. The Facility will also require the Company to maintain specified financial ratios and meet certain financial covenants. Events beyond the Company's control, including changes in general economic and business conditions, geopolitical conflict, and global health crisis or pandemics (including with respect to COVID-19), may affect the Company's ability to satisfy these covenants, which could result in a default under the Facility. If a default under the Facility occurs, the Company would be unable to draw down further on the Facility and the lenders could elect to declare all principal amounts outstanding thereunder at such time, together with accrued interest, to be immediately due and payable.

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. In addition, the Company is required to raise additional equity in connection with the Facility.

There can be no assurance that adequate funding will be available to the Company to comply with its obligations under the Facility, to complete the construction of a mine at the Goose Project, or to conduct ongoing exploration activities. Further exploration work and development of the properties in which the Company has an interest depend upon the Company's ability to maintain the Facility, 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.

Uncertainty Relating to Production Estimates

The Company has prepared estimates of future production and future production costs for the Goose Project. No assurance can be given that production estimates will be achieved. These production estimates are based on, among other things: the accuracy of Mineral 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.

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 Goose 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 Mineral Resources and Mineral 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.

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 Goose 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 Goose 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 Goose Project.

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

Development of the Goose 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 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 Goose 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. 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.

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.

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.

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.

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.

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.

Health Epidemics

The Company faces risks related to health epidemics, such as COVID-19, and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial condition. The Company's business could be adversely impacted by the effects of a global outbreak of a communicable disease, and the related measures being taken in the jurisdictions in which the Company operates including travel bans and "stay at home orders". The extent to which a global outbreak of a communicable disease and any related restrictions impacts the Company's business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the outbreak. A global outbreak of a communicable disease could materially and adversely impact the Company's business including without limitation, employee health, workforce productivity, increased insurance premiums, increased expenses, limitations on travel, the availability of industry experts and personnel, restrictions to its drill program and/or the timing to process drill and other metallurgical testing, and other factors that will depend on future developments beyond the Company's control, which

may have a material and adverse effect on its business, financial condition and results of operations. There can be no assurance that the Company's personnel will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased medical costs / insurance premiums as a result of these health risks. In addition, a significant outbreak of a communicable disease could result in a widespread global health crisis that could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the demand for precious metals and our future prospects. Such public health crises can result in volatility and disruptions in the supply and demand for gold and other metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk, share prices and inflation.

Out of concern for the well being of the Company's employees, contractors, their families, and their communities, the Company has elected to implement a work from home option for its corporate office employees in Vancouver (for which the Company has the appropriate IT support). The Company has implemented measures for activities at the Goose Site to mitigate risks associated with COVID-19. These measures include pre-deployment monitoring and testing, and procedures and protocols to safeguard employees while on site.

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 this AIF, the duration of the business disruptions and related financial impact of COVID-19 cannot be reasonably estimated.

The Company is subject to the risk of fluctuations in the relative values of the U.S. dollar and the Canadian dollar.

The Company may be adversely affected by foreign currency fluctuations. The Company is primarily funded through equity investments into the Company denominated in Canadian Dollars. In the normal course of business the Company may enter into transactions for the purchase of equipment, supplies and services denominated in Canadian or U.S. Dollars. The Company also has cash and certain liabilities denominated in U.S. Dollars. Certain exploration, development and administrative costs of the Company may be denominated in U.S. Dollars. Revenues from gold sales from future mine operations may be denominated in U.S. Dollars. Fluctuations in the exchange rates between the Canadian Dollar and the U.S. Dollar may have an adverse effect on 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 Mineral Resources or Mineral Reserves or result in commercial mining operations.

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 Gold District 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 Goose Project at the Back River Gold District. 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 Gold District. Sabina has secured the surface rights authorizing mine development and operations at the Goose Project by way of the commercial leases in the framework agreement dated April 23, 2018 between KIA and the Company.

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 not 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.

Transportation to the Goose Project is Limited and Risky

Due to the location of the Goose Project, there is presently limited infrastructure, other than infrastructure developed by the Company, available to explore or, if a production decision is ultimately made, develop or engage in production from the Goose Project. As a result of the lack of infrastructure, access to the Goose Project is limited. The access to the Goose Project is also subject to seasonality constraints related to ocean access and winter road construction. Delays in procurement and delivery could result in critical items missing the necessary timeframes to meet the seasonal sea lift. Delays in construction and operations could result in missing particular site access timeframes.

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

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 Glencore 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 and development programs. Declining market prices for these metals could materially adversely affect the Company's operations and financial condition.

Failure to continue to source suppliers on reasonable commercial terms could have a material adverse effect on our business, results of operations and financial condition.

Certain raw materials and supplies used in connection with our operations are obtained from a sole or limited group of suppliers. An increase in global demand for such resources and a corresponding decrease in the supplier's inventory would likely cause unanticipated cost increases, an inability to obtain adequate supplies and delays in delivery times, thereby adversely impacting operating costs, capital expenditures and production schedules. If a supplier is unable to adequately meet its requirements over a significant period of time and we are unable to source an alternate third-party supplier on reasonable commercial terms, this could have a material adverse effect on our business, results of operations and financial condition.

Calculation of Mineral Reserves, Mineral Resources and Precious Metal Recoveries

There is a degree of uncertainty attributable to the calculation and estimates of Mineral Reserves and Mineral Resources and the corresponding metal grades to be mined and recovered. Until Mineral Reserves or Mineral 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.

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.

Climate Change

Governments are moving to introduce climate change legislation and treaties at the international, national, provincial/territorial and local levels. Regulation relating to emission levels (such as carbon taxes) and energy efficiency is becoming more stringent. The Paris

climate accord was signed by 195 countries in December 2015 and marked a global shift toward a low-carbon economy. If the current regulatory trend continues, the Company expects that this will result in increased costs of operations. In addition, the physical risks of climate change may also have an adverse effect on some operations.

These risks include the following:

- sea level rise: changes in sea level could affect ocean transportation and shipping facilities which are used to transport supplies, equipment and workforce to the Goose Project;
- extreme weather events: extreme weather events have the potential to disrupt the Goose Project. Extended disruptions to supply lines could result in interruption to production; and
- resource shortages: the Goose Project depends on regular supplies of consumables (diesel, tires, sodium cyanide, et cetera) and reagents to operate efficiently.

In the event that the effects of climate change or extreme weather events cause prolonged disruption to the delivery of essential commodities, production efficiency at the Goose Project is likely to be reduced. There is no assurance that efforts to mitigate the risks of climate changes will be effective and that the physical risk of climate change will not have an adverse effect on operations and their profitability.

Information Systems Security Threats

The Company has entered into agreements with third parties for hardware, software, telecommunications and other 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 future. 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.

Geopolitical Risk and Conflict

As the Company's operations expand and reliance on global supply chains increase, the impact of significant geopolitical risk and conflict globally may have a more sizeable and unpredictable impact on the Company's business, financial condition, and operations than has traditionally been the case. The recent conflict in Ukraine and the global response to this conflict as it relates

to sanctions, trade embargos, and military support, has resulted in significant uncertainty as well as economic and supply chain disruptions. Should this conflict go on for an extended period of time, expand beyond Ukraine, or should other geopolitical disputes and conflicts emerge in other regions, this could result in material adverse effects on the Company.

Increasing Interest Rates

Increases to benchmark interest rates may have an impact on the Company's cost of borrowing under the Facility and any debt financing the Company may negotiate, resulting in a reduced amounts available to fund the Company's exploration, development and production activities and, as applicable, the cash available for any future returns of capital to shareholders, such as the payment of dividends, and could negatively impact the market price of its Common Shares and/or the price of gold, silver and other metals, which could have a material adverse effect on the Company's operations and/or financial condition.

Negative Operating Cash Flow

The Company is an early stage company that 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 Goose 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. As a result, the Company does not intend to pay dividends on the Common Shares in the foreseeable future. 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, the tax treatment of certain operations, actions 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 U.S. Shareholders

The Company believes it was a PFIC for U.S. federal income tax purposes during the fiscal year ended December 31, 2021 and based on current business plans and financial expectations, the Company expects that it will be a PFIC in the current tax year and in future tax 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 U.S. Shareholder’s holding period, then certain potentially adverse tax consequences could apply to such U.S. Shareholder’s acquisition, ownership and disposition of Common Shares.

The Company has Significant Shareholders

Zhaojin holds approximately 9.9% of the outstanding Common Shares. In addition, Orion and WPM hold approximately 14.2% and 6.4% of the outstanding Common Shares, respectively. Dispositions by significant shareholders could have an adverse effect on the market price of the Common Shares, as the market price of the Common Shares could fall. As a result of the significant holdings, there is a risk that the Company’s securities are less liquid and trade at a relative discount compared to circumstances where these persons did not have the ability to influence or determine matters affecting the Company. Additionally, there is a risk that their significant interests in the Company discourages transactions involving a change of control, including transactions in which an investor, as a holder of the Company’s securities, would otherwise receive a premium for its Company’s securities over the then current market price. Further, as long as Zhaojin, Orion and WPM maintain their respective current ownership interest in the Company, such entities may be able to exert influence over matters that are to be determined by votes of the holders of Common Shares. There is a risk that the interests of Zhaojin, Orion and WPM may differ from those of other shareholders.

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.

Future sales or issuances of equity securities could decrease the value of the Common Shares, dilute investors’ voting power and reduce the Company’s earnings per share

The Company may sell equity securities in offerings (including through the sale of debt securities convertible into equity securities) and may issue additional equity securities to finance operations, exploration, development, acquisitions or other projects. The Company cannot predict the size of future issuances of equity securities or the size and terms of future issuances of debt securities or other securities convertible into equity securities or the effect, if any, that future issuances and sales of the securities will have on the market price of the Common Shares. Any transaction involving the issuance of previously authorized but unissued Common Shares, or securities convertible into Common Shares, would result in dilution, possibly substantial, to Shareholders. Exercises of presently outstanding stock options may also result in dilution to Shareholders.

The board of directors of the Company has the authority to authorize certain offers and sales of securities without the vote of, or prior notice to, Shareholders. Based on the need for additional

capital to fund expected expenditures and growth, it is likely that the Company will issue securities to provide such capital. Such additional issuances may involve the issuance of a significant number of Common Shares at prices less than the current market price.

Sales of substantial amounts of securities, or the availability of securities for sale, could adversely affect the prevailing market prices for the securities and dilute investors' earnings per share. A decline in the market prices of securities could impair the Company's ability to raise additional capital through the sale of additional securities should the Company desire to do so.

DIVIDENDS

No dividends on the Common Shares have been declared during the past three fiscal years ended December 31, 2021, December 31, 2020 and December 31, 2019. 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 23, 2022, 445,318,031 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 Toronto Stock Exchange (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, 2021	1.51	1.23	11,834,418
November, 2021	1.76	1.46	7,601,135
October, 2021	1.69	1.39	6,923,168
September, 2021	1.62	1.405	5,949,114
August, 2021	1.78	1.40	6,951,263
July, 2021	1.90	1.60	7,800,461
June, 2021	1.925	1.63	12,061,156
May, 2021	1.88	1.60	14,341,831

Period	High (CAN\$)	Low (CAN\$)	Volume
April, 2021	2.14	1.735	18,333,569
March, 2021	2.14	1.73	24,051,453
February, 2021	2.99	2.08	10,719,369
January, 2021	3.53	2.41	12,908,803

Prior Sales

The following table provides certain information as of December 31, 2021 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 \$
05-Mar-21	785,000	1.98
30-Mar-21	900,000	1.77
30-Mar-21	170,000	1.77
10-Jun-21	600,000	1.82
10-Jun-21	150,000	1.82
27-Sep-21	400,000	1.45
27-Sep-21	100,000	1.45
TOTAL OPTIONS AND RSUS ISSUED	3,105,000	

Note:

(1) Stock options & RSUs issued pursuant to the Company's Share Compensation Plan. Each option and RSU is exercisable for one Common Share.

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⁾ British Columbia, Canada	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
David Rae ⁽¹⁾⁽²⁾ Ontario, Canada	Director	Director, President and Chief Executive Officer, Dundee Precious Metals Inc., a mining company	June 2020

Name and Residence	Current Position with the Company	Principal Occupation	Since
Anthony P. Walsh ⁽³⁾⁽⁴⁾ British Columbia, Canada	Director	Retired mining executive	May 2008
Anna El-Erian ⁽¹⁾⁽³⁾ British Columbia, Canada	Director	Mining executive	March 2016
Leo Zhao ⁽⁴⁾ Beijing, China	Director	Managing Director, Zhaojin International Mining, Executive Director, Zhaojin-Gravitas Mining Funds	February 2018
Anna Tudela ⁽²⁾⁽⁴⁾ British Columbia, Canada	Director	Independent Consultant and Corporate Director.	January 2021
Wendy Louie British Columbia, Canada	Chief Financial Officer, Vice-President, Finance	Chief Financial Officer of Sabina	September 2021
Nicole Hoeller British Columbia, Canada	Vice-President, Communications, Corporate Secretary	Corporate Secretary of Sabina and Executive Officer of Sabina	January 2008
Matthew Pickard Toronto, Ontario	Vice-President, Environment & Sustainability	Executive Officer of Sabina	September 2013
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 Committee
- (3) Member of the Audit Committee
- (4) Member of the Governance & Nominating 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 4,305,455 Common Shares of the Company, representing approximately 1% of the issued and outstanding Common Shares. David Rae is President & CEO of DPM which holds approximately 31,050,566 Common Share and Leo Zhao is Managing Director of Zhaojin International Mining Co. Ltd. which holds approximately 44,044,325 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, P.Eng, FEC, FCIM, Director and Chair of the Company. Mr. Segsworth holds a BSc in Mining Engineering from Michigan Tech. He has 50 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 a Director of Pan American Silver and a Director and Chair of 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 35 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., Torex Gold Resources Ltd, and G Mining Ventures Corp.

David Rae, Director of the Company. David Rae holds a Bachelor of Science in Physical Metallurgy from Leeds University in Yorkshire, England. Mr. Rae is a seasoned international mining and smelting executive with extensive experience in Africa, Europe, and Canada and has held increasingly senior operating and executive roles with international mining companies including Falconbridge and Xstrata. He joined Dundee Precious Metals as Senior Vice President, Operations in November 2021 and was appointed Executive Vice President and Chief Operating Officer in May 2014 becoming President and Chief Executive Officer in May, 2020.

Anna El-Erian, Director of the Company. Ms. El-Erian has over 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. El-Erian

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. El-Erian continues to work extensively with private equity investors in structuring transactions in the banking, construction and mining industries. Ms. El-Erian has numerous board appointments, and currently also serves as a director of Entrée Resources Ltd., Altius Minerals Corp and is Chair of Gabriel Resources.

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 the Company (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 a 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.

Anna Tudela, Director of the Company. Ms. Tudela has over 30 years of experience working with public companies in the securities and corporate finance areas, in Canada, the United States and South America. Most recently, she was the Vice President of Diversity, Regulatory Affairs and Corporate Secretary of Goldcorp. In 2010 she founded *Creating Choices*, a program unique in the global mining industry which recognizes the value in nurturing a culture of diversity and inclusion and promoting the advancement of women.

She was an active member of senior management with Wheaton River Minerals, Placer Dome Canada, Glamis Gold Ltd. and others, culminating with the takeover of Goldcorp by Newmont Mining Corporation. Ms. Tudela has served as Corporate Secretary of Goldcorp Inc., Silver Wheaton Corp (Wheaton Precious Metals) and Diamond Fields Resources Inc. Ms. Tudela has been recognized by various organizations for her work on governance, boards and advancing women in leadership in traditionally male dominated industries, receiving the Peter Day Governance Achievement Award; named one of the 100 Global Inspirational Women in Mining; the Association of Women in Finance awarding her the honour of Champion; Dalhousie University awarding her the 2016 Scotiabank Ethical Leadership Award and by Catalyst naming her 2016 Catalyst Canada Honours Champion. Ms. Tudela is a director of the Canadian Centre for Diversity and Inclusion, Regulus Resources Inc. and Gun Exploration Ltd., a Certified Canadian Inclusion Professional, an Accredited Director (CGIC) and a certified Global Competent Board advisor. Most recently, Ms. Tudela was the recipient of the WIM (BC) Aurora Award which recognizes an exceptional woman in mining who inspires others.

Wendy Louie, VP, Finance & CFO, Ms. Louie is a Canadian Chartered Professional Accountant (CPA, CA) with over 25 years of diverse finance and leadership experience. She most recently has provided consulting services in the mining, shipping, energy and technology sectors through her private consulting company which included mergers and acquisitions, risk management and advisory expertise. She held a series of senior management roles at Goldcorp Inc. from 2006 to 2016 serving as Vice-President, Finance, Vice-President, Reporting and Vice-President, Assistant Controller. Her background included roles in strategic business planning, project controls and reporting where she led the implementation of financial reporting and planning systems utilized in the management of several large-scale capital projects. Prior to that, Ms. Louie was a senior Tax Manager at Ernst and Young from 2004 to 2006 and from 1995 to 2004, she held various positions with Duke Energy Canada, including Director of Corporate Reporting. Ms. Louie began her career articling with Ernst and Young and holds a Bachelor of Commerce degree from the University of British Columbia.

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 26 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. Ms. Hoeller also has significant experience in capital markets, corporate financing and M&A.

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.

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.

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 that have significant shareholdings in the Company and/or serve as directors or officers of other resource companies in which they have significant shareholdings 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. David Rae is President & CEO of DPM which holds approximately 31 million common shares of the Company and Leo Zhao is Managing Director of Zhaojin International Mining Co. Ltd. which holds approximately 34 million common shares of the Company. 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 Shareholder Agreement made as of December 19, 2017 between Zhaojin International Mining Co. Ltd and the Company.
3. The Framework Agreement made as of April 20, 2018 between Kitikmeot Inuit Association and the Company.
4. The Credit Agreement dated as of August 27, 2021 between Sprott Resource Lending Corp., Sprott Private Resource Lending II (Collector), LP, Sabina Back River Ltd. and the Company.
5. The Subscription Agreement dated as of February 7, 2022 between OMF Fund III (MT) LLC, Wheaton Precious Metals Corp. and the Company.
6. The Precious Metals Purchase Agreement dated as of February 7, 2022 between Wheaton Precious Metals Corp. and the Company.
7. The Offtake Agreement dated as of February 7, 2022 between Sabina Back River Ltd., OMF Fund III (MT) LLC, the Company and each of the other purchasers from time to time party thereto.
8. The Gold Prepay Agreement dated as of February 7, 2022 between *inter alios* Sabina Back River Ltd., OMF Fund III (MT) LLC and the Company.
9. The Credit Agreement dated as of February 7, 2022 between *inter alios* Sabina Back River Ltd., OMF Fund III (MT) LLC 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, 2020, filed on SEDAR on March 30, 2021. KPMG LLP have confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislations or regulations.
2. The following experts are names as having been involved in the preparation of the UFS:

Qualified Person, Designation	Company	QP Responsibility/Role
Denis Thibodeau, P.Eng.	Sacré-Davey Engineering Inc.	Executive Summary, Introduction, Underground Mining, Infrastructure, Market Studies, CAPEX, OPEX, Economic Analysis, Environmental, Other Relevant Data, Interpretations, Recommendations, References, Abbreviations
Jacinta Klabenes, P.Eng., PE	Mining Plus Canada Consulting Ltd.	Underground Mining, Open pit Mining Methods, Overall Production Schedule, Waste Rock Storage
Maurice Mostert, FSAIMM	Mining Plus Canada Consulting Ltd.	Underground Reserves, Open pit Reserves
Neda Farmer, P.Eng.	Mining Plus Canada Consulting Ltd.	Open pit Mining
Dinara Nussipakynova, P.Geo	AMC Mining Consultants (Canada) Ltd.	Mineral Resource Estimates, Data Verification
John Morton Shannon, P.Geo	AMC Mining Consultants (Canada) Ltd.	Property Description, Accessibility, History, Geology, Deposits, Exploration, Drilling, Sample Preparation, Adjacent Properties
Richard Cook, P.Geo. (Limited)	Knight Piésold Ltd.	Environment, Water Management Planning, Tailings Disposal, Closure
Amber Blackwell, P.Geo.	Knight Piésold Ltd.	Geochemistry
Michael Dawson, P.Eng.	DT Engineers Ltd.	Off-site Infrastructure, Camp, Utilities and Services, Plant and Site Control System and Communications
Ben Peacock, P.Eng.	Knight Piésold Ltd.	Geomechanical
John Kurylo, M.Sc., P.Eng.	SRK Consulting (Canada)	Water Management Infrastructure,

Qualified Person, Designation	Company	QP Responsibility/Role
	Inc.	Tailings Deposition
Shervin Teymouri, P.Eng., BAsc., M.Eng.	Sacré-Davey Engineering Inc.	Market Studies and Contracts, Economic Analysis
Stacy Freudigmann, P.Eng., F.Aus.IMM	Canenco Canada Inc.	Metallurgy, Recoveries, Process
Vincy Benjamin, P.Eng., PMP	Sabina Gold & Silver Corp.	Labour Force

- Certain scientific and technical disclosure information in this AIF has been approved by Nicole Lasanen, P.Geo, Technical Service Manager for the Company and Vincy Benjamin, Director of Engineering for the Company, 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. Nicole Lasanen and Vincy Benjamin each hold Common Shares representing less than one percent of the outstanding Common Shares of the date of this AIF.

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, 2021.

AUDIT COMMITTEE

- The Audit Committee's Charter

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

- Composition of the Audit Committee

The Company's Audit Committee is comprised of three directors: Anthony P. Walsh, Anna Stylianides and Leo Zhao. 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 55 of this AIF for particulars in respect of the relevant education and experience of Anthony Walsh, Anna El-Erian and Leo Zhao.

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 Audit 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	Audit-Related Fees	Tax Fees⁽¹⁾	All Other Fees
2021	\$119,000	\$21,700	\$9,869	\$nil
2020	\$100,500	\$38,000	\$17,704	\$nil

Note:

(1) 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 advise 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.