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## SABINA GOLD & SILVER ANNOUNCES FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2019

Cash and cash equivalents and short-term investments of \$26.2 million

VANCOUVER –Sabina Gold & Silver Corp. (“Sabina”) or (the “Company”) (SBB – TSX) reports the financial results for the year ended December 31, 2019.

“2019 was a year of significant achievement for Sabina,” said Bruce McLeod, the Company’s President & CEO. “We continued with our two-pronged approach to advance Back River through de-risking project development activities as well as completed drill programs on high-value targets at the Goose property. In particular, the successful construction and operation of our inaugural winter ice road (“WIR”) from our Port facility constructed last year was the last component needed to demonstrate the viability of the Project’s logistics and supply chain. Additionally, a concerted review of structural geology at Goose has defined some high priority targets for us to drill at Umwelt later this year. While the COVID-19 pandemic has cast some uncertainty for the coming next few weeks and months, we are fortunate that we remain well funded to continue to build value at Back River, one of the best gold development projects in the sector.”

### **2019 Highlights:**

- The Company ended the year with cash and cash equivalents and short-term investments of \$26.2 million.
- During Q1 and Q2 2019, the Company completed construction of the 172 km WIR and haulage of construction materials and equipment from the Bathurst Inlet port facility to the Goose site, demonstrating the viability of the second critical component of the Project’s logistics and supply chain.
- During Q3 2019, the Company completed the construction of two bulk fuel tanks at the Port Facility as well as the delivery of a sealift transporting additional construction equipment and supplies.
- During Q2 2019, the Company completed a drill program consisting of 6,468 meters comprised of eight holes at three target areas at the Goose property to follow up on the successes from 2018, namely around the Nuvuyak and resource growth and optimization priorities at Llama Extension and Umwelt Vault. Additionally, during Q3 2019, the Company completed regional field programs which were integrated with geoscience initiatives on structural geology and mineralization paragenesis exploration. The field

work combined with drilling results advanced significant updates of geologic models for Nuvuyak, Llama Extension and Umwelt as well as additions and new rankings of the prospect and target portfolio.

- The Company completed several equity financings during 2019 for gross proceeds of \$13.3 million.
- For the year ended December 31, 2019, the Company reported a net loss of \$8.1 million or \$0.03 per share, which includes an after-tax write-down of \$4.2 million on non-core Red Lake mineral properties. Excluding the impact of the mineral property write-down, the adjusted net losses for the year ended December 31, 2019 would be \$3.9 million or \$0.01 per share.
- Subsequent to the end of the period, in response to the COVID-19 pandemic, the Company elected to defer its spring drilling program until later in the year and implemented a work from home protocol for its corporate office employees. Additionally, the Company elected to decelerate its project development activities until the global situation stabilizes and more information becomes available.

### **Project Update**

Throughout 2019 the Company has continued to advance development of an Engineering, Procurement, Construction (“EPC”) proposal for the bulk of the physical plant at the Goose site. The proposed vendor for this critical project component is a joint venture between Sedgman Canada and CGT Industrial (Clark Builders, the Gisborne Group and Tarpon Energy Services), collectively (“SCGT”). The EPC contract structure was proposed as fixed price with a performance guarantee. Additionally, the Company revisited the Project execution plan and made some scope changes expected to result in less capital risk with a more robust operating plan.

Subsequent to the end of the year, negotiation of the EPC contract which envisaged the delivery of a fixed price for all components of the processing plant was well advanced. The preliminary EPC contract price had been estimated to be \$196.1 million which compares to an EPCM estimate of \$125.1 million in the 2015 FS. The increase of \$71.0 million (or 36%) resulted from: (a) change of execution strategy (to EPC from EPCM); (b) inflation and escalation costs since 2015 (approximately 12%); and (c) various changes to scope (\$36.8 million). Changes to scope facilities and equipment which would provide for lower risk and increased equipment reliability and/or lower operating costs include, for example, purchase of an oxygen plant rather than a third-party contract service. It also includes the estimated cost of logistics for all process plant materials and equipment which is a transfer of scope to the EPC contractor from owner managed execution.

However, as a result of factors impacting the business model of the service provider (CIMIC Group Limited, the parent company of Sedgman Canada), a modified EPC structure has been recently proposed. The proposed structure would be comprised of two components: a fixed, lump sum price for engineering and procurement of all equipment and materials; and a target price for construction and commissioning with a fixed fee. The fixed price component would maintain performance and schedule guarantees as initially envisaged for the EPC contract terms.

Given recent ongoing market volatility, disruptions and fluctuation of foreign currency exchange rates, largely driven by global impacts of the evolving coronavirus crisis, the Company has made the decision to decelerate project development activities and to put efforts on advancing the EPC contract on hold. Management's view is that given the increased uncertainty of the economic impact resulting from the COVID-19 pandemic, it is prudent to delay the negotiation process for a fixed price contract until there is more stability in financial markets and global supply chain. As the EPC is integral to the balance of facility capital cost review, the Company has also put a CAPEX update on hold.

Further, effective March 30, 2020, the Company has accepted the resignation of Mr. Lello Galassi, Vice President of Project Development and Construction due to personal priorities to have more time with his family. The Company believes that the Project Development team has adequate depth in the interim and is not looking to replace Mr. Galassi at this time.

### ***Camp Update***

Within 5 days of Sabina's decision to defer the 2020 drill campaign and close the Goose Camp, our team completed a swift and orderly shutdown including all required commercial travel bookings for the 37 people onsite. As of Monday, March 23, 2020, all employees and contractors were back in their home communities. Sabina will continue to monitor the situation and hopes to resume the program later in 2020.

For the 2019 financial statements and Management's Discussion and Analysis, please see the Company website at [www.sabinagoldsilver.com](http://www.sabinagoldsilver.com) or on SEDAR.

## **SABINA GOLD & SILVER CORP**

Sabina Gold & Silver Corp. is well-financed and is an emerging precious metals company with district scale, advanced, high grade gold assets in one of the world's newest, politically stable mining jurisdictions: Nunavut, Canada.

Sabina released a Feasibility Study on its 100% owned Back River Gold Project which presents a project that has been designed on a fit-for purpose basis, with the potential to produce ~200,000 ounces a year for ~11 years with a rapid payback of 2.9 years (see "Technical Report for the Initial Project Feasibility Study on the Back River Gold Property, Nunavut, Canada" dated October 28, 2015).

The Project received its final Project Certificate on December 19, 2017. The Project received its Type A Water License on November 14, 2018 and is now in receipt of all major authorizations for construction and operations.

In addition to Back River, Sabina also owns a significant silver royalty on Glencore's Hackett River Project. The silver royalty on Hackett River's silver production is comprised of 22.5% of the first 190 million ounces produced and 12.5% of all silver produced thereafter.

The Company had approximately \$26.2 million in cash, cash equivalents and short-term investments as at December 31, 2019.

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### **Forward Looking Statements**

This news release contains “forward-looking information” within the meaning of applicable securities laws (the “forward-looking statements”), including our belief as to the extent, results and timing of exploration programs and various studies including the FS, and exploration results, reserves estimates, potential production from and viability of the Company’s properties, production and operating costs and permitting submission, timing and receipt of necessary permits and project approvals for future operations and access to project funding. These forward-looking statements are made as of the date of this news release. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated in or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. While we have based these forward-looking statements on our expectations about future events as at the date that such statements were prepared, the statements are not a guarantee that such future events will occur and are subject to risks, uncertainties, assumptions and other factors which could cause events or outcomes to differ materially from those expressed or implied by such forward-looking statements. Such factors and assumptions include, among others, the effects of general economic conditions, commodity prices, changing foreign exchange rates and actions by government and regulatory authorities and misjudgments in the course of preparing forward-looking statements. In addition, there are known and unknown risk factors which could cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Known risk factors include risks associated with exploration and project development; the need for additional financing; the calculation of mineral resources and reserves; operational risks associated with mining and mineral processing; fluctuations in metal prices; title matters; government regulation; obtaining and renewing necessary licences and permits; environmental liability and insurance; reliance on key personnel; the potential for conflicts of interest among certain of our officers or directors; the absence of dividends; currency fluctuations; labour disputes; competition; dilution; the volatility of the our common share price and volume; future sales of shares by existing shareholders; and other risks and uncertainties, including those relating to the Back River Project and general risks associated with the mineral exploration and development industry described in our Annual Information Form, financial statements and MD&A for the fiscal period ended December 31, 2019 filed with the Canadian Securities Administrators and available at [www.sedar.com](http://www.sedar.com). Although we have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. We are under no obligation to update or alter any forward-looking statements except as required under applicable securities laws. This news release has been authorized by the undersigned on behalf of Sabina Gold & Silver Corp.

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