

Sabina Gold & Silver Announces Comprehensive US\$520 Million Financing Package for Goose Mine at Back River

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VANCOUVER, Feb. 08, 2022 - [Sabina Gold & Silver Corp.](#) ("Sabina") or (the "Company") (SBB - TSX/SGSVF - OTCQX) is pleased to announce that it has completed final documentation with Orion Mine Finance ("Orion") and [Wheaton Precious Metals Corp.](#) ("Wheaton") with respect to a construction financing package totaling approximately US\$520 million in aggregate (the "Financing"). The Financing will fund construction and development of the Goose Mine at Sabina's 100% owned Back River Project in Nunavut, Canada (the "Project").

The Financing is comprised of:

- A US\$225 million senior secured debt facility;
- A US\$75 million gold prepay facility;
- A US\$125 million gold stream arrangement; and
- A US\$95 million private placement of Sabina Common shares.

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

"This is a major milestone for Sabina," said Bruce McLeod, President & CEO. "We are proud to welcome Orion and Wheaton as significant Sabina equity holders. Their participation in financing the Goose Mine validates the sound exploration, engineering, environmental and community work we have done on the Project and supports our approach to development of this prolific gold district. We appreciate the diligence and professionalism both parties brought to the process and are satisfied that we have concluded a financing package on very acceptable terms."

"This Financing enables Sabina to continue on our path to producer status and to first gold at the Goose Mine which we expect in Q1, 2025," he added. "The completion of this milestone sets Sabina apart from other developers: we have a financed, fully permitted, significantly advanced, high grade gold project in a tier one mining jurisdiction. The Goose Mine is the first mine on the 80 km Back River Gold District. With the George property as the next obvious focus for exploration and development, the Back River Gold District stands to deliver significant opportunities and value creation for all our stakeholders as a multi-generational mining district."

In connection with the Financing, Sabina has 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 Sabina common shares.

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

Credit Facility - Orion

- US\$225 million senior secured debt facility;
 - to be funded in four equal tranches and available from the date the gold prepay facility is fully drawdown until December 31, 2024;
 - Interest rate of LIBOR + 5.0-8.0%, based on the timing of the drawdown;
 - 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
 - Prepayment at any time without penalty.
- US\$75 million gold prepay facility;
 - To be funded to two equal tranches and available subsequent to the Stream Arrangement being drawn;
 - Delivery period will commence September 30, 2025 for a total of 15 quarters at 7,250 oz of gold per quarter.
- Gold Metal Offtake Agreement;
 - Applies to sales on 100% of the refined gold production on 5 million ounces of gold delivered from the Project. The quantity reduces to 20% thereafter;
 - 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

Stream Arrangement - Wheaton

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

Equity Financings

- Orion has agreed to subscribe for 72,732,692 shares of Sabina at a price of C\$1.30 for aggregate proceeds of approximately C\$95 million (US\$75 million).
- Wheaton as agreed to subscribe for 19,395,384 shares of Sabina at a price of C\$1.30 for aggregate proceeds of approximately C\$25 million (US\$20 million).
- The private placement to Orion and Wheaton, which is subject to the acceptance of the TSX, will be completed in multiple tranches, with the first tranche closing in February and the second tranche closing later in the first quarter of 2022. 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 Wheaton stream arrangement, Sabina to fund at least US\$105 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 International Mining Company Ltd. ("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) Wheaton will own approximately 6.8% of Sabina, in each case on a basic shares outstanding basis, which includes shares currently held by Wheaton in the Company.

Sabina was advised on the Financing by its independent financial adviser, Cutfield Freeman & Co Limited.

About Sabina

[Sabina Gold & Silver Corp.](#) is an emerging gold mining that 100% owns the district scale, advanced, high

grade Back River Gold District in Nunavut, Canada.

Sabina recently filed an Updated Feasibility Study (the "UFS") on its first mine on the district, the Goose Mine, which presents a project that will produce ~223,000 ounces of gold a year (first five years average of 287,000 ounces a year with peak production of 312,000 ounces in year three) for ~15 years with a rapid payback of 2.3 years, with a post-tax IRR of ~28% and NPV_{5%} of C\$1.1B. See "National Instrument (NI) 43-101 Technical Report - 2021 Updated Feasibility Study for the Goose Project at the Back River Gold District, Nunavut, Canada" dated March 3, 2021.

The Project received its final major authorization on June 25, 2020 and is now in receipt of all major permits and authorizations for construction and operations.

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

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.

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Forward Looking Information

This news release contains "forward-looking information" within the meaning of applicable securities laws (the "forward-looking statements"), including, but not limited to, the commencement of construction of the Project, the timing for completion of construction and the timing of first gold pour, the opportunities for new discovery, the creation of value for stakeholders, the timing and availability of the drawdown on the Credit Facility and the Stream Arrangement, the timing and completion of the private placement as well as a future equity financing, Zhaojin's participation in an equity financing and the projections and assumptions of the results of the UFS. These forward-looking statements are made as of the date of this news release. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated in or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. While we have based these forward-looking statements on our expectations about future events as at the date that such statements were prepared, the statements are not a guarantee that such future events will occur and are subject to risks, uncertainties, assumptions and other factors which could cause events or outcomes to differ materially from those expressed or implied by such forward-looking statements. Such factors and assumptions include, among others, the availability of equity financing on reasonable terms, the approval of the private placement to Orion and Wheaton by Sabina's shareholders, the uncertainty of construction, production, development plans and costs estimates for the Back River Gold Project; discrepancies between actual and estimated mineral reserves and mineral resources, between actual and estimated development and operating costs; the interpretation of drill, metallurgical testing and other exploration results; the ability of the Company to retain its key management employees and skilled and experienced personnel; exploration, development and mining risks and the inherently dangerous nature of the mining industry, and the risk of inadequate insurance or inability to obtain insurance to cover these risks and other risks and uncertainties; property and mineral title risks including defective title to mineral claims or property; the effects of general economic conditions, commodity prices, changing foreign exchange rates and actions by government and regulatory authorities; and misjudgments in the course of preparing forward-looking statements. In addition, there are known and unknown risk factors which could cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Known risk factors include risks associated with exploration and project development; the need for additional financing; the calculation of mineral resources and reserves; operational risks associated with mining and mineral processing; fluctuations in metal prices; title matters; government regulation; obtaining and renewing necessary licenses and permits; environmental liability and insurance; reliance on key personnel; the potential for conflicts of interest among certain of our officers or directors; the absence of dividends; currency fluctuations; labour disputes; competition; dilution; the volatility of the our common share price and volume; future sales of shares by existing shareholders; and other risks and uncertainties, including those relating to the Back River

Project and general risks associated with the mineral exploration and development industry described in our Annual Information Form, financial statements and MD&A for the fiscal period ended December 31, 2020 filed with the Canadian Securities Administrators and available at www.sedar.com. Although we have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. We are under no obligation to update or alter any forward-looking statements except as required under applicable securities laws.

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