



Message to shareholders & ESG Report Card

April 2020

Dear Shareholder,

With the continued support of our shareholders and stakeholders, we were able to continue to add value and further de-risk our Back River Gold Project ("Back River" or the "Project") in 2019.

We completed several critical steps which we believe will add long-term value to the Company including: constructing and operating our inaugural Winter Ice Road ("WIR"); transporting equipment received last year at our Port Facility over the 172Km WIR to the Goose site; constructing the first 10 million litre fuel storage tank at the Port Facility; continuing to extend the mineralized trend at Goose offering opportunities for enhanced economics and extended mine life; and complete considerable work towards an Engineering Procurement Construction ("EPC") contract to provide more certainty on capital requirements for the processing plant and other amenities. As market sentiment during 2019 was not sufficient to finance the full construction of the proposed mine at Goose, we continued with our two-prong strategy to prudently advance project development and exploration, while maintaining a strong treasury.

However, 2020 and the COVID-19 pandemic have introduced some unique challenges for all businesses, including the resource sector. While we were one of the first companies in Nunavut to defer our field programs to safer times and we have decelerated our project development activities until global markets are more stable, there is much work to do behind the scenes to continue to advance the Project.

Exploration work at Back River continues to demonstrate that it is a world class gold district. Since we bought the Project in 2009, the Sabina team has grown the resource base approximately 325%. Work in 2019 continued to focus on three more recent discoveries Sabina has made, including the Umwelt "Vault", the Llama Extension and the Nuvuyak zones. Work to date on these zones has identified an additional 1.2km of mineralized strike length: all on the 8km Goose property which is only part of the 80km long Back River Gold District.

To drill all of these zones to a level that we could include them in an updated 43-101 resource estimate would take approximately 30,000 meters of drilling and cost approximately \$40 million. We believe that these ounces will likely come in later in the mine life and that this money would be better spent on advancing opportunities with more immediate returns on the project. An example of this is the work we have planned for the Umwelt underground for this year. This target was developed as a result of desk top geology, re-logging, reassessment and remodelling of drilling results to better understand the geological controls for the high-grade zone at Umwelt Vault. Drilling planned for Spring, now deferred until later in the year, is to test the hypothesis that a secondary structure is responsible for the higher

than average grade distribution of gold within the Umwelt Vault zone, and that it could potentially continue from the Vault zone to closer to the bottom of the planned open pit.

This is an exciting opportunity. We can test this theory with a modest budget and drill program, this year, but the rewards could potentially change the way we look at mining at Goose. Further exploration drilling would be required, but the high-grade ounces that we are seeing at Umwelt could have a significant impact on project economics if they were to come in earlier in the mine life.

On the project development side, 2019 was very busy for the Company. We constructed and operated our first WIR. This was a significant milestone for the Company and the Project. With the construction of our Port facility last year and subsequent sealifts of equipment and supplies, we were able to demonstrate the viability and logistics supply chain all the way from southern Canada to the Goose site by land and sea. This was imperative for us to do prior to a production decision and was invaluable to us for road alignment enhancement.

Throughout 2019 the Company continued to advance development of an EPC proposal for the bulk of the physical plant at the Goose site. 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. This was well advanced, and the preliminary EPC price had been estimated to be \$196 million.

Given the increased uncertainty of the economic impact resulting from the COVID-19 pandemic, management believes it is prudent to decelerate the 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.

Work continues advancing project development initiatives including evaluating a suitable execution strategy for the Back River project while considering the risk and opportunities of developing the project. We continue to assess ways of optimizing the production profile of the deposits, including opportunities to bring forward higher grade material from underground earlier in the mine life.

We are evolving into a gold producer by committing to strong governance policies with a long-term view to maximizing the bottom line and mitigating economic risk.

We are focused on mandates that: minimize potential negative impacts to the environment and our people; transform the gold at Back River into mutual economic success and sustainability; and provide accountability on all levels.

In 2019, the Company began formally reporting on its ESG commitments and achievements by publishing its inaugural **Sustainability Report** available on the Company's website at www.sabinagoldsilver.com.

Below is a review of the Company's ESG initiatives in 2019.

Director Independence	<ul style="list-style-type: none">• 7 of our 8 nominees are independent (CEO is not independent).• Audit, Compensation, Nominating & Governance Committees are composed exclusively of independent directors. CEO sits on HS&E Committee.• Positions of Chairman and CEO are separated, and each have formal role descriptions.
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<p>Accountability and Shareholder Rights</p>	<ul style="list-style-type: none"> • All directors stand for re-election annually • 50%+1 Majority Voting Policy Adopted • Advance Notice Policy Adopted • Regular engagement with shareholders throughout the year • Shareholder engagement initiative executed April 2019
<p>Board Practices and Governance</p>	<ul style="list-style-type: none"> • Each committee and the Board at large conducted regular in-camera meetings without non-independent Directors or management present. • No director sits on more than four other public company Boards (no over boarding). • Diversity Policy Adopted (12% of Board and 40% of executive are female). • Board and committees reviewed mandates and assessed effectiveness of same during 2018. • Minimum equity ownership policy in place (Minimum of 3x annual retainer value within 5 years). • Three Director education sessions were held during the year with ongoing education initiatives within each committee. • Formal Risk Register implemented • Executive Compensation Recoupment (Clawback) Policy Implemented
<p>Health, Safety and Environment</p>	<ul style="list-style-type: none"> • Committed to “Safety First” at all levels and sites of the business. • 2019 LTIFR was 0 over a total of 130,000 site based work hours • All 2018 regulatory safety and environmental inspections passed • Wildlife Monitoring and Mitigation Programs implemented and working. • Wild life monitors on site reporting to Company, land owner and regulatory agencies.
<p>Climate Change</p>	<p>Sabina's strategy employs an adaptive management process that blends science and Traditional Knowledge on a continual quest to protect the environment, discover energy efficiencies and reduce project green house gas emissions.</p> <p>Planned mitigation measures include:</p> <ul style="list-style-type: none"> • Preferentially selecting equipment with low emissions that meet or exceed the latest applicable Canadian emissions standards and guidelines; • Implementation of energy efficient and heat recovery measures; • Use of emission control systems on appropriate stacks and relevant ventilation systems Strict operating and maintenance protocols for vehicles and equipment; • Committed to complying with the National Pollutant Release Inventory under the jurisdiction of the Canadian Environmental Protection Act; and • Implementing conservative measures for the safe and long-term storage of tailings and waste rock that includes the thickest and

	most protective clean rock covers proposed for any mine in Canada's Arctic.
Social Responsibility	<ul style="list-style-type: none"> • Two community engagements completed to update Kitikmeot residents and regulators on the Project. • Implementation of agreements with the landowner (Kitikmeot Inuit Association) for land tenure and Inuit Impact and Benefits. • Commitments for jobs, training and service contracts for region and territory advancing. • Kitikmeot Inuit Employment numbers in 2019 were 15%. • Regional Wealth Creation Fund projects advanced.

As we have consistently messaged, prudence with the Company's capital structure has always been a focus at Sabina. While we recognize that the timing is not right to raise the equity to construct a mine, we will continue to be opportunistic with financing opportunities that strengthen our treasury to enable us to continue our two-pronged approach in advancing Back River through de-risking activities and continued exploration. We look forward to reporting on these activities through the year.

At Sabina, we believe the fundamentals for gold have never been better and that we tick all the boxes when it comes to a gold equity investment: A large, advanced high-grade resource/reserve that is District scale, permitted and significantly de-risked, with social license in hand and in a world class jurisdiction.

We wish to thank our northern stakeholders and our landowners, the Inuit of the Kitikmeot for also recognizing the value of this highly prospective district. Without these solid partnerships, we would not be able to be successful and continue to add value to the Company. We look forward to many decades of fruitful partnerships going forward.

Back River is a great asset, but also, people are a key part of any successful Company and we believe we have some of the best. To all our team, thank you for all your efforts in 2019. I am very proud to lead this dedicated group who continue to rise, meet and overcome the challenges of growing into a gold miner, especially in volatile markets like the ones we are seeing.

Of course, I would be remiss if I didn't thank our Board of Directors for their experienced leadership, advice and guidance. And, on behalf of the Board of Directors and our team, I would also like to express our appreciation for the continued support of our fellow shareholders and stakeholders. We look forward to success in 2020 and beyond.

Bruce McLeod

President & CEO