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## Sabina Gold & Silver Provides Update on Advancement of its Back River Gold Project

Vancouver, BC – Sabina Gold & Silver Corp (SBB.T/SGSVF.OTCQX), (“Sabina” or the “Company”) is pleased to provide an update on activities and undertakings for the Company’s 100%-owned 80km Back River Gold District (“Back River” or the “Goose Project”) in Nunavut, Canada.

The Goose Project, the initial focus for production at Back River, has evolved significantly on its path to production since the feasibility study (“FS”) was completed in 2015. Through this work, there have been significant project advancements in engineering, project development, exploration, and permitting which have improved, optimized, and further de-risked the Goose Project towards a production decision.

Key Milestones Include:

- The Goose Project is now fully permitted for construction and operations.
- Completion of a Framework Agreement with the Kitikmeot Inuit Association including a 20-year renewable mining lease agreement.
- Demonstration of project logistics and supply chain from the south to site, including: construction of the Port facility, receipt of sealifts delivering materials, inaugural construction and operation of a 172km winter ice road for delivery of all materials from the Port facility to Goose.
- Preliminary earthworks and quarrying at the Goose site.
- Completion of basic engineering and advancement of detailed engineering, procurement, contracting strategy and project execution plans for the process plant, balance of plant and other major structures.
- Additional metallurgical testing to further de-risk and aid in design of proposed plant flow sheet. Major processing equipment selected, and additional detoxification work completed including project water quality test work

- Discovery of a large new mineral zone at Nuvuyak, identification and successful drill targeting of a higher-grade corridor of mineralization within the Umwelt underground resource and extension of the Llama gold structure by over 500m down plunge from the current resource limits.
- Continued community engagement and maintenance of social license and release of Sabina's first Environmental and Social Governance Report.
- Positive ruling from Canada Revenue Agency that the exploration underground ramp at Umwelt can be funded with flow-through shares (enables raising equity with less dilution).
- Continued advancement of a Project Debt structure within a framework of due diligence process including positive independent engineer review.
- Since the FS, the gold price has continued to increase, both in USD and Canadian Dollar terms (from ~C\$1,438/oz in our FS to ~C\$2,560/oz current spot) providing opportunities to significantly impact project economics.
- Opening in 2020 of the Goose camp and commencement of all planned activities with full support of the territory and community stakeholders within a detailed Covid-19 operational framework.

“Since the feasibility, Sabina has been able to make great progress in advancing the Goose Project towards a production decision,” said Bruce McLeod, President & CEO. “As we waited for the capital markets to improve to be able to finance the Project, we focused considerable activity on identifying opportunities that we believe will significantly de-risk and enhance the project. The Back River Project benefits from a large resource base: only 2.5M oz of a 5.1M ounce measured and indicated resource has been converted to reserve. We have also made new discoveries since during this time that have demonstrated the potential for resource expansion and have highlighted the high-grade nature of our deposits. Given this significant resource optionality, internal studies revisiting mine sequencing have demonstrated strong opportunities to significantly increase the production profile at a similar through-put which at current long-term gold prices, could positively impact overall project economics. While we push forward on our detailed engineering, our continued drilling will enable us to complete an updated resource estimate, with an updated feasibility study to follow in Q1, 2021. Additional infill drilling may be undertaken during next year's drilling season to inform further resource updates later in 2021. We are also very encouraged by the improvement in market sentiment and are well positioned to take advantage of an appropriate project financing window at any time.”

### **2020 Project Development Plans**

Initiatives underway during 2020 include: a) a phased extension of the Goose Project airstrip to accommodate larger aircraft to reduce transport costs and support future construction and underground exploration activities; b) activities to develop an underground ramp for exploration drilling from subsurface; c) procurement of underground mining and ancillary equipment and

infrastructure to support the exploration decline program, including the airlift campaign to bring this equipment to site; d) commencement of engagement for detailed engineering. All this work will be funded from the existing treasury.

### *Detailed Engineering*

In 2019, the Company had been focused on pursuing an Engineering, Procurement and Construction Contract for the processing plant for a fixed price bid and with performance guarantees. Given the ongoing supply chain uncertainties driven by global impacts of the evolving COVID-19 pandemic, Sabina is now assessing alternative delivery methods, focusing initially on delivery of detailed engineering which will better define the execution plan as well as provide greater certainty on procurement and construction costs and enable us to solicit for a lump sum bid and performance guarantees on construction.

### *Internal Studies and Updated Feasibility Study*

The 2015 FS envisioned a 3,000 tonne per day mine producing approximately 200,000 ounces a year over an 11.8 year mine life from a series of three open pits and one underground. The mineral reserve estimate in the 2015 FS utilized only 2.5 million ounces of the total Goose Project resources (4.2 million ounces measured and indicated, and 0.9 million ounces inferred\*), in addition, new discoveries and significant resource extensions have been made since the 2015 FS. Internal studies were undertaken to determine what impact these areas might have to meaningfully increase the production profile and mine life, with a similar throughput, through a combination of open pit and underground at all deposits. For example, recent drilling at Umwelt underground has demonstrated the opportunity to bring high-grade underground material earlier into the mine life which could dynamically impact Project economics, production profile and payback period. This drilling and the optimization studies will form the basis of an updated resource estimate and feasibility study expected during Q1, 2021. Further infill drilling may be undertaken in 2021 to inform future resource estimate updates.

\*Goose property resources include 21,841,250 tonnes @5.97 g/t totaling 4,189,993 ounces Au measured and indicated and an additional 2,919,148 tonnes @9.26 g/t totaling 869,530 ounces Au inferred.

### *Exploration Decline*

Exploration success of targeting higher-grade zones of mineralization within the Umwelt resource such as Vault and now the upper Umwelt high-grade zone have led to the Company planning an underground ramp at Umwelt for exploration drilling from underground. This ramp will also provide the opportunity for a bulk sample for the purpose of grade reconciliation and definition of commissioning and start-up processing parameters. This work necessitates an extension of the Goose Project airstrip to accommodate larger aircraft to support the ramp development. Additionally, construction of road access to the portal location, box cut of decline at the portal,

development of a portal laydown area and construction of other associated support facilities is planned for this year with underground exploration ramp development to commence in the Spring of 2021.

The exploration decline is expected to be completed to its targeted depth (600 meters) within three years, however, the objective is to be able to start drilling from early platforms of the decline by early 2022. With advancement of this exploration drilling, additional resources, if defined, could result in expanded production from underground mining at Umwelt earlier than scheduled in the feasibility study. This re-sequencing could result in the earlier release of higher-grade material in the mine life providing opportunities for better economics and a reduced payback period.

The Company's 8500m exploration and infill drilling campaign continues to advance, with additional results expected throughout the balance of this year.

### **Qualified Persons**

The Company's Qualified Persons (as defined by National Instrument 43-101) in respect of the Goose Project, are James Maxwell, Director of Exploration for the Company and Vincy Benjamin, Director of Engineering for the Company. Messrs. Maxwell and Benjamin have approved the written scientific and technical disclosure in this news release.

### **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 its listing to enable deposition of tailings on Schedule 2 of the Metals and Diamond Mining Effluent Regulations on June 25, 2020. The Company is now in receipt of all major authorizations for construction and operations.

The Company has significantly advanced the debt process on the Project and is poised to take advantage on a project equity financing window at any time. Once a production decision is made, because of the seasonality of logistics, the Project will take approximately 36 months to construct to first gold pour.

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.

For further information please contact:

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*This news release has been authorized by the undersigned on behalf of Sabina Gold & Silver Corp.*

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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 our belief as to the extent, results and timing of and various studies relating to engineering studies, infrastructure improvement activities, exploration results and permitting and licensing outcomes. 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 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, 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.*