



Wishbone-Malley Project

2017 Annual Report For

INAC Land Use License N2012C0003

January 2018

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1.0 INTRODUCTION

This report summarizes 2017 activities completed by Sabina related to land use permit #N2012C0003.

1.1 Sabina Sustainable Development Policy

Sabina Gold & Silver Corp. regards itself as a responsible explorer and mineral developer. We are committed to fostering sustainable development throughout all stages of our activities. We constantly strive to conduct our operations in a manner that balances the social, economic, cultural and environmental needs of the communities in which we operate.

To build on this commitment, Sabina will:

- Meet or strive to exceed all relevant legislated sustainable development requirements in the regions where we work.
- Ensure appropriate personnel, resources and training is made available to implement our sustainable development objectives.
- Establish clear lines of responsibility and accountability throughout the company to meet these objectives.
- Implement proven management systems and procedures to facilitate our sustainable development objectives. A Priority will be placed on developing and implementing management structures related to the environment, health and safety, emergency response and stakeholder engagement.
- Act as responsible stewards of the environment for both current and future generations. We will make use of appropriate assessment methodologies, technologies and controls to minimize environmental risks throughout all stages of mineral development.
- Work closely with local communities and project stakeholders to understand their needs, address their concerns and provide project-related benefits to create win-win relationships. Our goal is to earn and maintain a social licence to operate at all our operations while building partnerships.
- Pursue economically feasible projects in order to generate shareholder profitability and support long-term positive socio-economic development in the regions where we work.
- Utilize a precautionary approach as it applies to potential effects from our activities. Work with employees, contractors and stakeholders to promote a culture of open and meaningful dialogue to ensure that any known or suspected departures from established protocols are reported to management in a timely manner.

- Regularly review this policy to ensure it is consistent with Sabina's current activities and the most recent legislation.
- Continually improve our performance and contributions to sustainable development including pollution prevention, waste minimization and resource consumption.
- Implement programs at each of our operations to monitor and report compliance and proactively address potential deficiencies in our policies and procedures.

The objectives of our sustainable development policy cannot be accomplished without the active involvement and commitment of many dedicated individuals. As such, we will regularly communicate this policy and its outcomes to our employees, contractors and relevant stakeholders. Together, we can foster a culture of sustainable development at Sabina.

1.2 Site Location and Description

The winter corridors are located within western Nunavut, south of Bathurst Inlet within the Slave Structural Province and throughout Sabina's Back River and Wishbone – Malley Project areas. The Project areas lie approximately 525 kilometres northeast of Yellowknife and 400 kilometres south of Cambridge Bay, NU (Figure 1); within the zone of continuous permafrost.

Regionally this exploration area lies within the Takijug Lake Uplands ecoregion, which covers the south central portion of the West Kitikmeot region. This area is made up of broad, sloping uplands, plateaus, and lowlands (WKRLUP, 2005). Much of the area is largely composed of unvegetated rock outcrops and boulder fields. The landscape is characterized by higher elevations, which are moderated by open water during the late summer and early fall. The exploration properties occur within the Bathurst Inlet-Burnside Watershed and the area is dotted by thousands of lakes, collected by streams or by one of the major rivers in the area (e.g., Burnside, Mara). The exploration area lies within two geological provinces; the Slave Province and the Bear Province. The Slave Geological Province is underlain by granite and related gneisses, as well as by sedimentary and volcanic rocks (more than 2.5 billion years old). The Bear Geological Province contains mainly volcanic and sedimentary rocks ranging in age from about two billion years.

The mean annual temperature is approximately -10.5°C with a summer mean of 6°C and a winter mean of -26.5°C. The mean annual precipitation range is 200-300 mm (Environment Canada website). The ground is covered in snow from late October to June most years. Lakes are ice-covered from approximately October to June most years, with ice thickness reaching depths of at least 2.0 metres.

2.0 SUMMARY OF ACTIVITIES

No exploration drilling was carried out on Sabina's Wishbone-Malley Property. Detailed geological mapping and sampling was completed; samples were collected and submitted for assay and trace element analysis. Detailed mapping was conducted in the area to further our knowledge of their gold bearing potential.

3.0 2018 WORK PLAN

Exploration activities could include claim staking, prospecting, field mapping, manual trenches/test pits and downhole/ground/air based geophysical surveys.

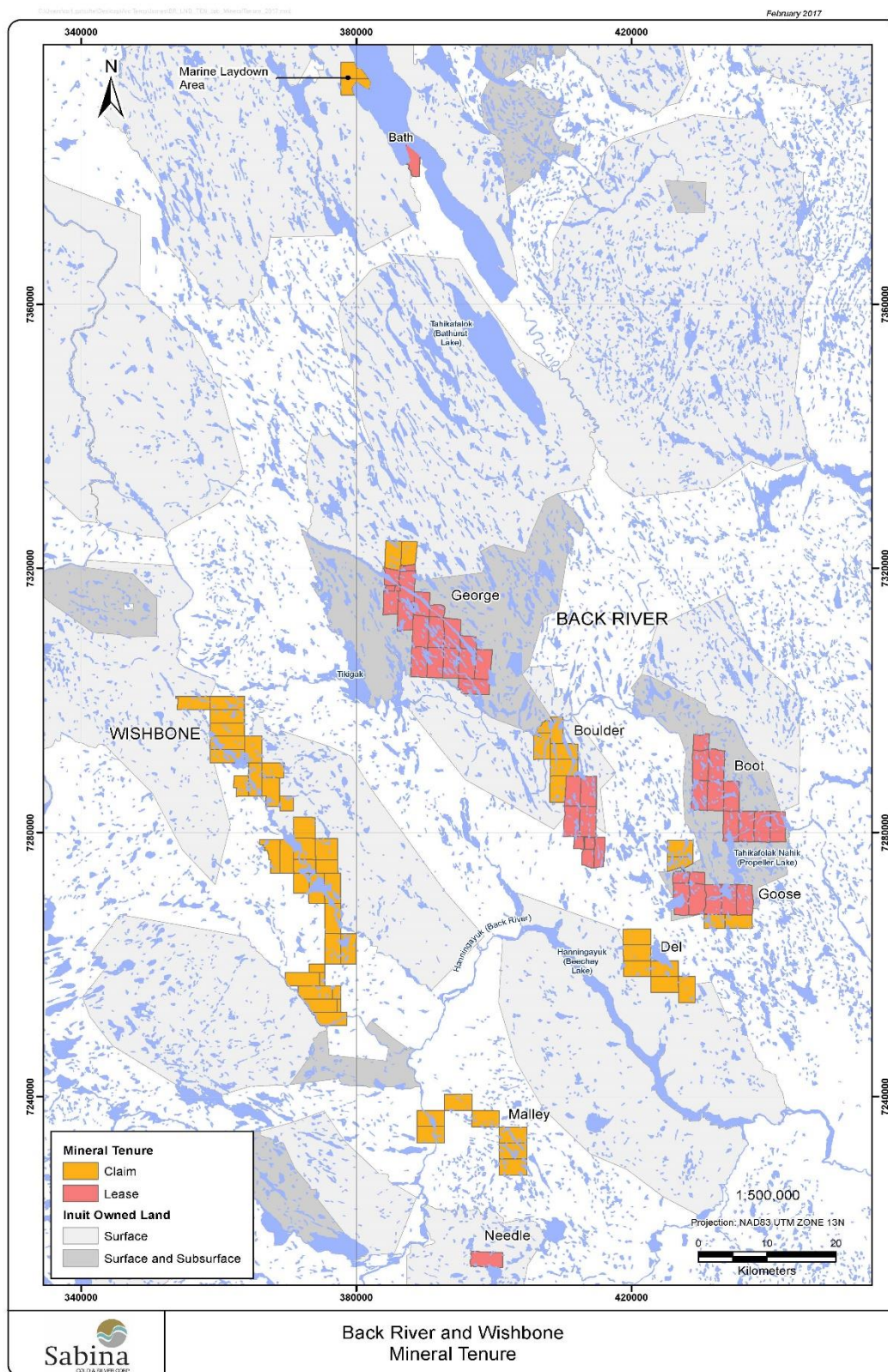


Figure 1. Sabina Properties in the Kitikmeot Region.

4.0 ENVIRONMENTAL STUDIES

There are no ongoing environmental studies or baseline data collection at the Wishbone-Malley Project.

5.0 WILDLIFE

Wildlife species observed at the Back River Project are documented Sabina's N2016C0011 annual report.

6.0 INUIT EMPLOYEES

The following table identifies the Nunavut Land Claim Agreement (NLCA) beneficiaries employed by Sabina on the Back River Exploration Project. The table does not include those workers employed by contractors or suppliers.

During 2017, 10 Inuit workers were employed by Sabina with a gross payroll value of approximately \$212,507.59.

Table 4. NLCA beneficiary employees of the Back River Project, 2017

Number of Employees	Community
2	Cambridge Bay
5	Gjoa Haven
1	Yellowknife
1	Kugluktuk
1	Taloyoak
Total Approximate Gross Payroll	\$212,507.59

7.0 ANNUAL INSPECTION ACTIVITIES

Inspections that occurred during the 2017 exploration program include:

- August 17-18, INAC Water Resources inspector Eva Paul completed an inspection of the Back River Project.

8.0 PROGRESSIVE RECLAMATION WORK

No on-going progressive reclamation activities were completed in the Wishbone-Malley Project area in 2017.

9.0 PROJECT TERMS AND CONDITIONS

Sabina has, to the best of our knowledge, conducted this operation in full compliance with the terms and conditions annexed to the permits, and we are actively working with inspectors and regulators to address any issues or concerns which arise and to improve the way in which we operate. We strive to maintain a high standard of performance in the course of all of our operations.