



SABRE GOLD ANNOUNCES PRELIMINARY ECONOMIC ASSESSMENT FOR THE COPPERSTONE MINE

Vancouver, June 20, 2023 – Sabre Gold Mines Corp. (TSX: SGLD, OTCQB: SGLDF) (“**Sabre Gold**” or the “**Company**”) is pleased to announce it has completed a Preliminary Economic Assessment (“PEA”) on the 100% owned Copperstone Mine (“Copperstone” or “Project”) in Arizona, USA. The study has resulted in robust post-tax economics which, due to pre-existing infrastructure on surface and underground, result in both low initial capital and an overall low capital intensity ratio on a per ounce basis. The project benefits from its significant tax assets and recently reduced royalty encumbrance while also having potential for resource expansion and further exploration success.

The Preliminary Economic Assessment supports a high-grade gold underground mining operation at Copperstone producing an average of 40,765 payable oz gold per year for just over a 5-and-a-half-year mine life. Sabre Gold management worked with Hard Rock Consulting, LLC (“HRC”) to complete the PEA, which included comprehensive reviews of the construction, operations and costs, to provide confidence for potential project commencement and completion within budget and schedule. Trade off studies will continue on initial capital items and initial earthworks will commence as soon as the Company moves towards a formal construction decision. The Company will also continue to have discussions with potential providers of initial construction capital.

In accordance with National Instrument 43-101, the Company has engaged HRC to complete a technical report in support of the PEA, which will be filed on SEDAR within 45 days of this news release. The Company notes that mineral resources are not mineral reserves as they do not have demonstrated economic viability. The Company notes that a preliminary economic assessment is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have economic consideration applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized.

The PEA base case assumes a gold price of \$1,800 per oz and the PEA also presents project sensitivities using a range of spot gold prices between \$1,600 to \$2,000 per oz. All currency references herein are in US\$.

Highlights from the Preliminary Economic Assessment

- **Consistent Production** - Models an underground mine operation that will process 198,000 tonnes of ore at 544 tonnes per day (“tpd”) over the 5.6-year mine life (“LOM”).



- **Excellent Payback Period** - The mine plan sequences the high-grade portions of the resource in early years to optimize grade and cash flow resulting in a payback period of less than 2 years and generating nearly \$90m in after-tax cumulative undiscounted cash flow.
- **Low Initial Capital** – Significant site infrastructure, such as pre-existing tailings and processing facilities, surface buildings and rehabilitated underground development allow for reduced upfront construction cost and low initial capital per payable gold ounce produced over the LOM.
- **Fully Licensed and Permitted** – Permits are in place for initial construction and subsequent operation of the project as well as the necessary water and surface rights. Minor modifications required for the revised mine plan and flow sheet as a result of the PEA will be addressed as required in the coming months by the Company.
- **Base Case Financial Results:**

	Base Case \$1800/oz Au	Valuation Sensitivity at \$2,000/oz Au
After- tax NPV (5%)	\$61.2 million	\$88.7 million
After-tax IRR	50.3%	71.0%
Payback Period	1.8 years	1.3 years
Initial Capital	\$36.3 million	\$36.3 million
Sustaining Capital	\$52.1 million	\$52.1 million
LOM Cash Cost per oz gold payable	\$1,016	\$1,036
LOM All-in sustaining per oz gold payable ("AISC")	\$1,290	\$1,310
Pre-tax cumulative undiscounted free cash flow ⁽¹⁾	\$88.8 million	\$130.1 million
After-tax cumulative undiscounted free cash flow ⁽¹⁾	\$85.9 million	\$120.8 million

Abbreviations include: NPV = net present value, IRR = internal rate of return, LOM = life of mine, AISC = all-in sustaining cost.



“With the completion of the Preliminary Economic Assessment, the Copperstone project is now advancing towards detailed engineering, financing and a final construction decision. The results published today support the construction of our first mine. We believe there are further opportunities to optimize the project economics through possible capital reductions and to also increase the mineral resource. It is our belief that with the restart of drilling at the Project, there is potential to add significant ounces to the mine design and mine life at Copperstone,” commented Andrew Elinesky, CEO & President.

“There are very few gold projects that are fully permitted and licensed to commence construction and operations while also being located in a favourable jurisdiction such as the Copperstone Project. The Preliminary Economic Assessment reflects a tremendous amount of rigour and work required to move the project towards financial due diligence. We are very pleased to deliver this important milestone for our shareholders, employees, the local communities, and other stakeholders. We believe the Preliminary Economic Assessment provides a well-designed, comprehensive plan.”

Location, Access, Physiography, Infrastructure

The Copperstone property is located 125 miles west of Phoenix, Arizona and is accessed via Interstate I-10 to the town of Quartzsite, Arizona. The site access road is located about 9 miles north of Quartzsite along US Highway 95. The access road is a well-maintained gravel road, Cyprus Mine Road, that travels west for 5.5 miles to the project site.

The Project is situated on the flat, sandy desert terrain of the La Posa Plain, at the northeastern end of the Dome Rock Mountains, and is surrounded by a natural desert scrub environment. Major supply centres and ample skilled and unskilled labour is available locally, in Phoenix and in Yuma. Access to the Sante Fe rail line is available nearby, and international air service and railway access are both available in Phoenix.

Property, History, Geology, Mineralization

The Copperstone Project encompasses approximately 13.8 square miles of surface area and mineral rights in La Paz County, County, Arizona. The Project is wholly owned by Sabre Gold, which controls the 546 federal unpatented mining claims and two Arizona state mineral leases which together comprise the Copperstone Project area.

Prior production at Copperstone included open pit mining with a 2,500 tpd carbon-in-pulp heap leach from 1987 to 1993 with reported production of 514,000 oz of gold from 5,600,000 tons of ore grading 0.089 oz/t (2.8 g/t) of gold. In 2011, a 450 tpd floatation mill was built on site and in 2012 underground mining commenced from two declines that were previously developed in the bottom of the open pit. Operations took place from January 2012 to July 2013



with reported production of approximately 16,900 oz of gold from 163,000 tons of ore grading 0.104 oz/t (3.2g/t) of gold.

Sabre Gold owns 100% of the Copperstone Project which is situated at the northern tip of the Moon Mountains in west-central Arizona, regionally within the Basin and Range geophysiological province, and within the westernmost extent of the Whipple-Buckskin-Rawhide detachment system. Mid-Tertiary low-angle normal faults (detachment faults) are recognized as significant regional structures in this portion of the Basin and Range, where major detachment faults are associated with mylonitization of lower-plate rocks and brittle faulting and rotation of upper-plate rocks.

Mineral Resources

The Preliminary Economic Assessment provides a revised mine plan from the previously completed studies, including revised resource estimates, mining methods, mining dilution and recovery assumptions. The revised resource estimate uses high yield restriction methodology to ensure that the influence of the high-grade samples did not extend beyond their observed range of continuity.

2023 Copperstone Resource Estimate			
	Tonnes	Au (g/t)	Au (koz)
Measured	750,000	8.12	196,000
Indicated	457,000	7.09	104,000
Measured & Indicated	1,207,000	7.74	300,000
Inferred	970,000	6.30	197,000

1. Mineral Resources have an effective date of February 15, 2023. The Qualified Person responsible for the Mineral Resource estimate is Mr. Richard A. Schwering, P.G., SME-RM, an employee of Hard Rock Consulting, LLC.
2. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
3. Inferred mineral resources are that part of a mineral resource for which the grade or quality are estimated on the basis of limited geological evidence and sampling. Inferred mineral resources do not have demonstrated economic viability and may not be converted to a mineral reserve. It is reasonably expected that the majority of Inferred mineral resources could be upgraded to Indicated mineral resources with continued exploration.
4. The mineral resource is reported at an underground mining cut-off of 0.092 oz/ton (3.15 g/t) Au beneath the historic open pit and within coherent wireframe models, and for estimated blocks which meet the criteria of a minable shape. The cut-off is based on the following assumptions: a gold price of \$1,800/oz;



assumed mining cost of \$90/ton (\$99.21/tonne), process costs of \$47/ton (\$51.81/tonne), general and administrative and property/severance tax costs of \$15.00/ton (\$16.53/tonne), refining and shipping costs of \$12.00/oz, a metallurgical recovery for gold of 95%, and a 3.0% gross royalty.

5. Rounding may result in apparent differences when summing tonnes, grade and contained metal content. Tonnage and grade measurements are in Metric units. Contained metal is reported as troy ounces.

Initial and Sustaining Capital

The initial capital cost of the project is \$36.3 million, to be incurred over a 14-month period including construction and ramp up to full production. Initial capital intensity is quite low when compared to the gold ounces produced during the life of mine and is calculated as \$158 per payable gold ounce produced. Cumulative sustaining capital⁽¹⁾ is estimated at \$52.1 million with over 60% spent in operating years 1-3 for the underground mine development and tailings management facilities.

Metric (\$ million)	Initial	Sustaining	Total LOM
Underground Mine Development	\$9.2	\$24.4	\$33.6
Tailings Management Facility	-	\$4.4	\$4.4
Mineral Processing Plant	\$11.6	-	\$11.6
On-site Infrastructure	\$8.9	\$17.7	\$26.6
Total Direct Costs	\$29.7	\$46.5	\$76.2
Owner Costs and Reclamation	\$0.6	\$1.2	\$1.8
Project Indirect Costs	\$1.7	-	\$1.7
Contingency	\$4.3	\$4.4	\$8.7
Total Indirect Costs	\$6.6	\$5.6	\$12.2
TOTAL	\$36.3	\$52.1	\$88.4

Operating, Cash and All-in Sustaining Costs

Operating Costs	\$/oz Au	\$/t Ore
Mining	\$512.88	\$105.58
Processing	\$253.69	\$52.23



Site G&A	\$85.05	\$17.52
Transportation & Refining	\$12.84	\$2.65
CASH OPERATING COSTS	\$864.46	\$177.98
Royalties and Stream	\$143.10	\$29.46
Production Taxes	\$8.76	\$1.81
TOTAL CASH COSTS	\$1,016.32	\$209.25
Reclamation	\$5.26	\$1.08
Sustaining Capital	\$268.65	\$55.30
ALL-IN SUSTAINING COSTS	\$1,290.33	\$265.63

Free Cash Flow

The average annual after-tax free cash flow is \$15.3 million and the cumulative LOM after-tax free cash flow are estimated at \$85.9 million. The Company has a large tax asset base which significantly reduces the tax impacts on cash flow.

Project Sensitivities

At base case prices and a 5% discount rate, the after tax NPV and IRR are most sensitive to gold prices and to a much lesser extent capital ("CapEx") and operating expenditures ("OpEx").

Sensitivity Table		
Gold Price	After Tax NPV (millions)	After Tax IRR
\$1,500	\$14.9	16.5%
\$1,600	\$31.06	28.4%
\$1,700	\$47.2	39.8%
\$1,800 (Base Case)	\$61.2	50.3%
\$1,900	\$75.0	60.8%
\$2,000	\$88.7	71.0%



\$2,100	\$102.4	81.2%
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Sensitivity Table				
Movement	OPEX NPV (millions)	OPEX IRR	Initial CAPEX NPV (millions)	Initial CAPEX IRR
-20%	\$84.3	65.5%	\$74.5	76.3%
-10%	\$73.0	58.1%	\$68.0	61.8%
Base Case	\$61.2	50.3%	\$61.2	50.3%
10%	\$49.4	42.3%	\$54.4	41.2%
20%	\$35.9	33.2%	\$47.8	33.8%

Mining Operations

Due to historic underground mining that has taken place on the property in 2012 and 2013 and an exploration drift established in 2017, there is currently approximately 4,000 meters of underground access development, most of which was rehabilitated in the fall of 2021.

Copperstone will be a mechanized ramp access, underground mine, producing a designed average of 544 tonnes (600 tons) per day. The mine plan is for Cut and Fill mining using Rock Fill (“RF”) and Cemented Rock Fill (“CRF”). The mine design is based on a cut-off grade 3.34 grams per tonne (0.107 opt) with 28.9% internal dilution, 10% external dilution and an ore recovery of 95% and is composed of 46% Measured, 18% Indicated, and 36% Inferred Mineral Resources.

Plant Flowsheet

The plant flowsheet is for a 544 tonne per day capacity, consisting of two-stage crushing and grinding, followed by whole ore leaching with Merrill Crowe recovery to produce doré bars.

Surface Infrastructure

Existing infrastructure at the Copperstone Project includes office facilities, warehouse, equipment maintenance shop and assay laboratory buildings, a change house, 10 trailer house hook-ups, a septic system, and a variety of shipping containers which provide for secure core



storage. Incoming commercial 69 kV overhead electrical power is delivered to an on-site power substation. Water is currently delivered from three water wells to a 375,000-gallon storage tank in the mineral processing area. Potable water is delivered by truck. Mine communications are supported by cellular and satellite phone and internet service.

Government Permits

All major permits for operations for the State of Arizona are in place with minor modifications required for the revised mine plan and flow sheet, Aquifer Protection Permit, Air Quality Permit and Storm Water Multi Sector General Permit. The US Bureau of Land Management (BLM) permit, Mine Plan of Operation (MPO) is in place but requires modifications to mainly remove equipment from the existing permitted flow sheet process plant.

The right to extract and use groundwater from the aquifer within the La Posa Plain is authorized by the Arizona Department of Water Resources pursuant to A.R.S. Section 45-514.

Existing surface rights and right of ways are sufficient for all proposed exploration, mining, and processing activities, including tailings and waste storage and disposal areas.

The Reclamation Plan has been approved by the State of Arizona and no amendments are expected to be required. Sabre Gold is required by the Aggregate Mine Land Reclamation Act to obtain an Inspector's approval of the MPO amendment addressing new infrastructure and disposal facilities and plans for post-mining reclamation of those facilities.

Project Schedule and Next Steps

Management has been working with a number of groups to arrange debt financing and will continue to evaluate all available options to raise the required initial capital. Management will continue to work on potential optimizations of plant and equipment including the potential sourcing of used plant and equipment. The Company will also continue to incorporate any site development activities alongside site maintenance currently being performed on the Project. The Copperstone Project will take approximately 14 months for construction and ramp up to full production. These timeframes do not take into account possible further disruptions to the labour market and global supply chain interruptions due to current supply chain markets.

The Project Management team has significant construction and operating experience in underground mines within the Americas.

Opportunities to Enhance Value

Management has identified several opportunities to enhance value for the Copperstone Project that will be further evaluated during the development phase. Management is considering



various engineering, procurement, construction and management approaches including hybrid models to incorporate internal expertise and capabilities that provide an efficient transition from development to operations. Further opportunities include:

- **Expand Resources** – The two priority areas for expansion would focus on additional drilling along the down dip plunge of the C and D zones within the main Copperstone shear, the South Zone and the Footwall zone. The second area of priority would follow up drilling between the A and B zones where previous drilling encountered high grade mineralization but has not been investigated further.
- **Mining** - Will further investigate if marginal grade material can be added to the stopes if the stope access cost is excluded due to the stope already being developed. Continue to look at the optimization of the mine design including the number of access points, internal raises to improve ventilation, stope height and width.
- **Process Plant** – The Company will evaluate opportunities for increasing plant throughput to the extent mining rates can be increased from the current mine plan and potential resource expansion.
- **Used Equipment** – Evaluate options for used equipment to reduce initial cost and lead time.

Exploration Potential

Several identified opportunities remain to enhance the value of the Copperstone Project and will be further evaluated during the construction phase.

- Drill test for the presence of the footwall zone at depth and underneath the D zone.
- Historic drill hole CS-266 intercepted gold mineralization (3.4 grams/tonne over 3.0 metres) approximately 200 meters southwest of the Copperstone pit and has not been followed up.
- Continued drilling to define and expand the southwest zone which is 760 meters southwest of the Copperstone pit.
- Historic drill hole 06CS-20 intercepted gold mineralization (20.5 grams/tonne over 1.5 metres), approximately 900m southwest of the Copperstone pit and has been neither been followed up on nor has there been any drilling within 150m of the drill hole.

Qualified Persons and QA/QC

Mike Maslowski, CPG Vice President Chief Operating Officer of Sabre, is the Qualified Person (“QP”) who reviewed and approved this news release. The Preliminary Economic Assessment



(PEA) team includes HRC QPs, Richard A. Schwering, P.G., SME-RM, Jeffery W. Choquette, P.E., Jennifer J. Brown P.G., and Dr. Deepak Malhotra, Ph.D. who are the Independent Qualified Persons for the 2023 PEA and who have prepared the scientific and technical information on the Copperstone project and reviewed the information that is summarized in this press release. The qualified persons preparing the PEA report have followed industry accepted practices for verifying that the data used in the study is suitable for the purposes used. Site visits by three of the qualified persons (including Mike Maslowski from Sabre Gold and Richard A. Schwering, Jennifer J. Brown, and Jeffery Choquette from HRC) is part of the data verification procedures. A more detailed description of data verification undertaken by the qualified persons will be included in the relevant sections of the technical report that will be filed within 45 days of this press release.

(1) Non-IFRS Financial Measures

The Company has included certain non-IFRS measures in this document as discussed below. The Company believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

Cash cost ("Cash cost") per ounce

Cash cost per ounce is a non-IFRS measure. In the gold mining industry, this metric is a common performance measure that does not have a standardized meaning under IFRS. Cash costs include direct costs (including smelting, refining, transportation and selling costs), royalties and production taxes, general and administration costs and changes in finished goods inventory.

All-in sustaining costs ("AISC") per ounce

AISC per ounce are non-IFRS measures. These measures are intended to assist readers in evaluating the total cost of producing gold from operations. While there is no standardized meaning across the industry for AISC measures, the Company's definition conforms to the definition of AISC as set out by the World Gold Council. The Company defines AISC as the cash operating costs (as defined above), reclamation cost accretion, mine site expensed exploration, and sustaining capital expenditures. For the purpose of the PEA, AISC does not include corporate general and administration costs or mine site expensed exploration.

Free cash flow



In the mining industry, free cash flow is a common performance measure with no standardized meaning. The Company calculates free cash flow by deducting cash capital spending (capital expenditures, net of expenditures paid through finance leases) from net cash provided by operating activities. The Company discloses free cash flow as it believes the measure provides valuable assistance to investors and analysts in evaluating the Company's ability to generate cash flow after capital investments and build the cash resources of the Company.

Initial and sustaining capital

Initial and sustaining capital are non-IFRS measures. Initial capital is defined as capital required to develop and construct to bring the mine to commercial production and sustaining capital is defined as the capital required to maintain operations at existing levels. Both measurements are used by management to assess the effectiveness of an investment program.

About Sabre Gold Mines Corp.

Sabre Gold is a diversified, multi-asset near-term gold producer in North America which holds 100-per-cent ownership of both the fully licensed and permitted Copperstone gold mine located in Arizona, United States, and the Brewery Creek gold mine located in Yukon, Canada, both of which are former producers. Management intends to restart production at Copperstone followed by Brewery Creek in the near term. Sabre Gold also holds other investments and projects at varying stages of development.

Sabre Gold's two advanced projects have approximately 1.5 million ounces of gold in the Measured and Indicated categories, and approximately 1.2 million ounces of gold in the Inferred category. Additionally, both Copperstone and Brewery Creek have considerable exploration upside with a combined land package of over 230 square kilometers that will be further drill tested with high-priority targets currently identified. Sabre Gold is led by an experienced team of mining professionals with backgrounds in exploration, mine building and operations.

For further information please visit the Sabre Gold Mines Corp. website: (www.sabre.gold).

Andrew Elinesky
CEO and President
416-904-2725

Cautionary Note Regarding Forward Looking Statements

This news release contains forward-looking information under Canadian securities legislation including statements concerning the Company's expectations with respect to the proposed optimization work and other value enhancing activities and their impact on the economics of Copperstone; the potential that resources at Copperstone can be expanded through additional exploration drilling, expectations regarding a construction decision and the timing



thereof, the construction timeline of Copperstone, the potential to obtain the necessary financing to bring Copperstone into production and the ability to obtain the necessary amendments to the permits for the Copperstone project. These forward-looking statements entail various risks and uncertainties that could cause actual results to differ materially from those reflected in these forward-looking statements. Such statements are based on current expectations, are subject to a number of uncertainties and risks, and actual results may differ materially from those contained in such statements. These uncertainties and risks include, but are not limited to: the assumptions used in the preparation of the PEA for the Copperstone project, basing a construction decision on the results of a PEA and not on a feasibility study of mineral reserves, demonstrating economic and technical viability; the price of gold; operational, funding, and liquidity risks; reliance on third parties, exploration risk, failure to upgrade resources, the degree to which mineral resource and reserve estimates are reflective of actual mineral resources and reserves; the degree to which factors which would make a mineral deposit commercially viable are present, and the risks and hazards associated with underground operations and other risks involved in the mineral exploration and development industry. Risks and uncertainties about Sabre Gold's business are more fully discussed in the Company's disclosure materials, including its annual information form and MD&A, filed with the securities regulatory authorities in Canada and available at www.sedar.com and readers are urged to read these materials. Sabre Gold assumes no obligation to update any forward-looking statement or to update the reasons why actual results could differ from such statements unless required by law.