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TSX-V: FISH | OTCQX: SROYF

Sailfish Announces Binding Letter of Intent to Spinout the Gavilanes Silver Project Combined with Wexford's Commonwealth Silver-Gold Project into a Separate Public Company to be Named "Swordfish Silver"

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Tortola, British Virgin Islands, October 7, 2021 – Sailfish Royalty Corp. (TSX-V: FISH, OTCQX: SROYF) (the "**Company**" or "**Sailfish**") is pleased to announce that it has entered into a binding letter of intent (the "**LOI**") with 1287398 B.C. Ltd. ("**Pubco**" or "**Swordfish Silver**") to complete a transaction with Pubco (the "**Proposed Transaction**") with the goal of creating a silver focused exploration and development company. The Proposed Transaction is expected to result in the transfer of the Company's wholly owned Gavilanes silver property located in Durango, Mexico (the "**Gavilanes Silver Project**") to Pubco in exchange for shares of Pubco (the "**Gavilanes Acquisition**"). Pubco has also signed a binding letter of intent with certain funds managed by Wexford Capital LP to acquire the Commonwealth silver and gold property in Cochise County, Arizona (the "**Commonwealth Silver-Gold Project**"). Closing of the Gavilanes Acquisition is subject to, among other things, Pubco acquiring the Commonwealth Silver-Gold Project in exchange for shares of Pubco, a concurrent private placement financing for proceeds of US\$5,000,000 (the "**Private Placement**"), and receipt of conditional acceptance from the TSX Venture Exchange (the "**TSXV**") to have Pubco's common shares listed on the TSXV.

Swordfish Silver Highlights:

- Swordfish Silver is expected to have combined resources of over 15 million ounces ("**oz**") of silver-equivalent ("**AgEq**") in the Measured and Indicated category and over 33 million oz AgEq in the Inferred category.¹
- Swordfish Silver is expected to be attractively valued with an enterprise value per silver-equivalent ounce ("**EV/oz AgEq**") below other publicly traded silver focused exploration and development companies that currently trade at US\$0.96 EV/oz AgEq.²
- The Commonwealth Silver-Gold Project has significant near-term exploration potential and the project is largely located on patented claims. The majority of the use of proceeds from the concurrent Private Placement are earmarked for drilling at the Commonwealth Silver-Gold Project, with the goal of expanding the mineral resources over the next 18 months. Preliminary exploration activities have commenced at the Gavilanes Silver Project in anticipation of an eventual drill exploration program once permits are granted.

Cesar Gonzalez, Chief Executive Officer of Sailfish states that, "the Proposed Transaction is an important milestone in unlocking value for Sailfish shareholders. The Gavilanes Silver Project now ranks among the highest-grade silver exploration projects in Mexico and should be held within a vehicle that can dedicate

¹ See Exhibits 1 and 2 below for more details on the mineral resource estimates for the Commonwealth Silver-Gold Project and Gavilanes Silver Project. The Commonwealth Silver-Gold Project mineral resource estimate has been converted to AgEq using 50% recoveries for silver and a 70:1 Ag:Au ratio. More details on the Commonwealth Silver-Gold Project can be found in the technical report filed titled "CSA NI 43-101 Technical Report and Estimate of Mineral Resources, Commonwealth Project, Cochise County, Arizona" (the "**Commonwealth Report**"), which will be filed under Pubco's profile on SEDAR. Details regarding the Gavilanes Silver Project's silver-equivalent formula used to calculate the AgEq mineral resource estimate can be found in the technical report titled "CSA NI 43-101 Technical Report and Estimate of Mineral Resources, Gavilanes Silver Project, San Dimas Municipality, Durango, Mexico" dated May 14, 2021 with an effective date of April 1, 2021 (the "**Gavilanes Report**"), which is filed under Sailfish's profile on SEDAR.

² See Cormark Securities Inc. silver comparable valuations dated September 1st, 2021.

the exploration funds that the project deserves. Pairing Gavilanes with the Commonwealth Silver-Gold Project is expected to further enhance value for Sailfish shareholders by providing the scale and diversification required of a standalone publicly traded company. And most importantly, both projects have seen limited drilling and offer significant exploration upside.”

General Information About Commonwealth, Gavilanes and Pubco

The Commonwealth Silver-Gold Project is a low sulphidation epithermal precious metals project located in Cochise County, Arizona. It hosts the past-producing Commonwealth mine on patented claims and an updated mineral resource estimate containing 12.6 million oz of silver and 131,000 oz of gold in the Measured and Indicated categories plus another 7.1 million oz of silver and 100,000 oz of gold in the Inferred category (see Exhibit 1). Importantly, the entire resource is focused on drilling carried out at Pearce Hill as comprehensive drilling has yet to be completed at the Blue Jeep, Six Mile and San Ignacio targets – all within five kilometers (“**km**”) of Pearce Hill. Pubco plans to conduct a CSAMT Survey to look for buried epithermal targets under the colluvial cover between the silica cap outcrops. Wexford Spectrum Fund, L.P., Wexford Catalyst Fund, L.P., Spectrum Intermediate Fund Limited and Catalyst Intermediate Fund Limited (collectively, “**Wexford**”) indirectly own the project through a Canadian subsidiary, Marlin Gold Mining USA Ltd. (“**Marlin**”).

The Gavilanes Silver Project is located in the prolific San Dimas mining district in Durango State, Mexico approximately 23 km northeast from First Majestic Silver Corp.’s producing San Dimas mine. Sailfish completed a technical report on the project in May 2021 (see press release dated May 18, 2021) which highlighted an Inferred mineral resource estimate of 22.4 million oz AgEq at a grade of 245.6 g/t AgEq with more than 84% of the mineral resource estimate attributable to silver (see Exhibit 2).³ The mineral resource is all within 330 meters (“**m**”) of surface and remains open along strike and at depth with several nearby new veins mapped at surface that have yet to be drilled. Sailfish indirectly owns the project through a wholly owned Canadian subsidiary called Swordfish Silver Corp. (“**Swordfish**”).

Pubco is a company incorporated under the laws of British Columbia and is a reporting issuer in British Columbia and Alberta. It does not currently have an active business. It is owned by a group comprised of Medalist Capital Ltd. Delbrook Capital Inc. and certain directors and officers of Sailfish. As certain shareholders of Pubco are related parties of Sailfish, the Proposed Transaction will be a “related party transaction” for Sailfish under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*; however, Sailfish expects to be exempt from the formal valuation and shareholder approval requirements of that instrument.

Qualified Person

Qualified Person Steve Ristorcelli, C.P.G., is an independent Qualified Person under NI 43-101 and is responsible for the Commonwealth Report. Matthew D. Gray, Ph.D., C.P.G, is an independent Qualified Person under NI 43-101 and is jointly responsible with Steve Ristorcelli for the Commonwealth Report. In addition, Alain Kabemba, Senior Associate, Metallurgy, at Watts, Griffis and McQuat Limited (“**WGM**”), reviewed all available metallurgical data and conducted an independent analysis. Dr. Gray is the President of Resource Geosciences Incorporated (“**RGI**”) and Mr. Ristorcelli is a Principal Geologist at Mine Development Associates (“**MDA**”), a division of RESPEC, located in Reno, Nevada. Both Dr. Gray and Mr. Ristorcelli are the Qualified Persons, as defined in NI 43-101, that have reviewed and approved the scientific and technical information contained in this press release relating to the Commonwealth Silver-Gold Project.

Qualified Person Derick Unger, C.P.G., is an independent Qualified Person under NI 43-101 and is responsible for the Gavilanes Report. Matthew D. Gray, Ph.D., C.P.G, is an independent Qualified Person under NI 43-101 and is jointly responsible with Derick Unger for the Gavilanes Report. Mr. Unger is a Project

³ See Exhibit 2 in this press release. Details regarding the silver-equivalent formula used to calculate the AgEq mineral resource estimate can be found in the Gavilanes Report filed under Sailfish’s profile on SEDAR.

Geologist at MDA. Dr. Gray and Mr. Unger are the Qualified Persons, as defined in NI 43-101, that has reviewed and approved the scientific and technical information contained in this press release relating to the Gavilanes Silver Project.

Exhibit 1: Mineral Resources for Commonwealth Silver-Gold Project (Arizona)⁴

Category	Cutoff Grade (AuEq g/t)	Tonnes	Gold Grade (g/t)	Silver Grade (g/t)	Contained Gold (oz)	Contained Silver (oz)
Measured and Indicated	0.15	11,925,000	0.34	32.8	131,000	12,586,000
Inferred	0.15	7,849,000	0.40	28.0	100,000	7,071,000

Exhibit 2: Inferred Mineral Resource for Gavilanes Silver Project (Durango State, Mexico)⁵

Category	Cutoff Grade (AgEq g/t)	Tonnes	Silver Grade (g/t)	Gold Grade (g/t)	Copper Grade (%)	Lead Grade (%)	Zinc Grade (%)	Average Grade (AgEq g/t)	Contained AgEq (oz)
Inferred	100	2,833,000	207.3	0.15	0.12%	0.61%	0.43%	245.6	22,368,000

The Proposed Transaction

Under the terms of the LOI, it is anticipated that, pursuant to a plan of arrangement: (i) all of the securities of Swordfish (which holds the Gavilanes Silver Project) will be exchanged for 4,607,143 common shares of Pubco, and such shares will be distributed to shareholders of Sailfish pro-rata; and (ii) all securities of Marlin (which holds the Commonwealth Silver-Gold Project) will be exchanged for 13,821,429 common shares of Pubco. In addition, the Private Placement will be completed concurrently with the completion of the Proposed Transaction. It is expected that a total of approximately 50,000 preferred shares and 3,100,000 common shares of Pubco will continue to be held by the existing shareholders of Pubco upon completion of the Proposed Transaction, assuming the exercise in full of all currently outstanding Pubco options. In addition to any resale restrictions under TSXV policies and applicable law, it is anticipated that Pubco's existing shareholders will be subject to escrow such that no release of their shares will occur for a period of 18 months from the date of the TSXV bulletin in respect of listing of Pubco and such shares will subsequently be released from escrow in four equal releases every six months starting on the date that is 18 months from the date of the TSXV bulletin.

Subject to satisfactory due diligence, within 30 days of the date of the LOI, Pubco, Sailfish and funds managed by Wexford intend to enter into a definitive agreement in respect of the Proposed Transaction.

It is a condition to closing of the Proposed Transaction that Pubco has received conditional acceptance from the TSXV to have its common shares listed on the TSXV as a Tier 1 Mining Issuer by way of a direct listing. The plan of arrangement is subject to court approval. Upon completion of the Proposed Transaction, Pubco intends to change its name to "Swordfish Silver Corp.", or such other name as is acceptable to the parties.

Private Placement

Pubco will endeavor to complete a majority arm's length private placement of US\$5,000,000 (or such other amount as is necessary to satisfy TSXV listing requirements). It is anticipated that net proceeds from the private placement will be used for a CSAMT geophysical survey followed by a phase one 10,000 m diamond drill campaign at the Commonwealth Silver-Gold Project. Ground mapping and permitting will commence at the Gavilanes Silver Project with a goal to eventually start a 3,000 m diamond drill campaign at a future date.

⁴ More details on the Commonwealth Silver-Gold Project can be found in the Commonwealth Report filed under Pubco's profile on SEDAR.

⁵ More details on the Gavilanes Silver Project can be found in the Gavilanes Report filed under Sailfish's profile on SEDAR.

Board of Directors

Upon consummation of the Proposed Transaction, the board of directors of Pubco shall consist of five directors, consisting of Akiba Leisman, Paolo Lostritto, Maxwell Pluss, Kiran Patankar, and Petra Decher.

Further Information

Sailfish and Pubco will provide further details in respect of the Proposed Transaction in due course by way of press release, which will include all information, including financial, as required by applicable regulatory authorities.

All information contained in this press release with respect to Sailfish and Pubco was supplied by the parties respectively, for inclusion herein, without independent review by the other party, and each party and its directors and officers have relied on the other party for any information concerning the other party.

About Sailfish

Sailfish is a precious metals royalty and streaming company. Within Sailfish's portfolio are two main assets in the Americas: a gold stream equivalent to a 3% NSR on the San Albino gold mine (~3.5 sq. km) and a 2% NSR on the rest of the area (~134.5 sq. km) surrounding San Albino in northern Nicaragua; and an up to 3% NSR on the multi-million ounce Spring Valley gold project in Pershing County, Nevada.

Sailfish is listed on the TSX Venture Exchange under the symbol "FISH" and on the OTCQX under the symbol "SROYF". Please visit the Company's website at www.sailfishroyalty.com for additional information.

For further information: Cesar Gonzalez, CEO, tel. 203-862-7009 or Akiba Leisman, Executive Chairman of the Board, tel. 203-862-7059.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as the term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Notes Regarding the U.S. Securities Act:

This press release is not an offer of the securities for sale in the United States. The securities may not be offered or sold in the United States absent registration or an available exemption from the registration requirements of the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and applicable U.S. state securities laws. Pubco will not make any public offering of the securities in the United States. The securities have not been and will not be registered under the U.S. Securities Act.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Cautionary Notes Regarding the Proposed Transaction:

Completion of the Proposed Transaction is subject to a number of conditions including, but not limited to, entering into a definitive agreement, Pubco's acquisition of the Commonwealth Silver-Gold Project, completion of the Private Placement, closing conditions customary to transactions of the nature of the Proposed Transaction, approvals of all regulatory bodies having jurisdiction in connection with the Proposed Transaction, TSXV acceptance of the disposition of the Gavilanes Silver Project by Sailfish and of listing of Pubco, court approval of the plan of arrangement and, if applicable, shareholder approval.

Investors are cautioned that, except as disclosed in listing statement to be prepared in connection with the proposed listing of Pubco, any information released or received with respect to the proposed transaction

may not be accurate or complete and should not be relied upon. The Exchange has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this press release.

Cautionary Notes Regarding Forward-Looking Statements:

This release includes certain statements and information that may constitute forward-looking information within the meaning of applicable Canadian securities laws. All statements in this news release, other than statements of historical facts, are forward looking statements, including statements regarding the steps contemplated by the LOI, the completion of the private placement, and the listing of Pubco on the TSXV. Forward-looking statements are based on certain material assumptions and analysis made by the Company and the opinions and estimates of management as of the date of this press release, including that the transactions contemplated by the LOI will be completed, that the Proposed Transaction (including the private placement) will ultimately close, and that the shares of Pubco will be listed on the TSXV. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. Important factors that may cause actual results to vary, include, without limitation, capital market conditions for the Private Placement, receipt of TSXV and other regulatory approval for completion of the Proposed Transaction, satisfactory due diligence completed by the parties and satisfaction of other conditions for completion of the Proposed Transaction. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such 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 and forward-looking information. Readers are cautioned that reliance on such information may not be appropriate for other purposes. The Company does not undertake to update any forward-looking statement, forward-looking information or financial out-look that are incorporated by reference herein, except in accordance with applicable securities laws.