



Sea Meadow House, P.O. Box 116  
Road Town, Tortola  
British Virgin Islands, VG1110  
Tel: (284) 494-6401

www.sailfishroyalty.com  
TSX-V: FISH | OTCQX: SROYF

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## **Sailfish Signs a Binding LOI with Mako Mining for a Silver Stream Designed to Enhance the Sustainability of its Dividend and Increase its Silver Exposure; Announces Private Placement of Convertible Debentures; and Appointment of New Director**

**Tortola, British Virgin Islands, March 1, 2023** – Sailfish Royalty Corp. (TSX-V: FISH, OTCQX: SROYF) (the "**Company**" or "**Sailfish**") is pleased to announce that it has signed a binding letter of intent ("**LOI**") with Mako Mining Corp. ("**Mako**") in respect of acquiring a 24-month silver stream (the "**Silver Stream**") for US\$6 million in cash and an option to purchase subsequent silver produced from the San Albino mine or from concessions currently owned by Mako and processed through Mako's San Albino processing facility until production is no longer economically viable at the mutual agreement of Sailfish and Mako. Such option is exercisable after 12 of the 24 month term of the Silver Stream has passed for an additional US\$1 million. As part of this transaction, Sailfish is announcing a US\$4,000,000 convertible debenture financing (the "**Offering**") (see terms below). The net proceeds received by the Company from the Offering will be used to finance a portion of the US\$6 million purchase price of the Silver Stream and the remaining portion will be paid with working capital.

The material terms of the Silver Stream are as follows:

- Mako is expected to deliver 13,500 ounces of silver from its concessions, or alternatively gold equivalent or silver credits to the Company at the end of each month beginning on the last day of the first full month immediately following the closing date in respect of the Silver Stream transaction.
- The parties shall use good faith efforts to enter into a definitive agreement within 120 days from the effective date of the LOI.
- If the LOI is terminated within 120 days from its effective date as a result of a breach by either party of a material term of the LOI, the non-breaching party shall be entitled to receive a break fee of US\$150,000 from the breaching party.
- Closing of the Company's acquisition of the Silver Stream is subject to the fulfillment of certain customary conditions including, but not limited to:
  - The Company's completion of the Offering;
  - Satisfactory review of the technical information in respect of the San Albino property by Watts Griffis & McQuat Ltd., at the sole discretion of the Company;
  - Receipt of an opinion from INFOR Financial Group Inc. that the Silver Stream transaction is fair and reasonable, from a financial point of view, to the Company's the shareholders;
  - Satisfactory review of the political risk associated with the proposed transaction, at the sole discretion of the Company;
  - The obligations of Mako under the Silver Stream agreement shall be secured by a mortgage in favor of the Company against the San Albino property;
  - The receipt of all required regulatory and corporate approvals including the approval of the TSX Venture Exchange by each of Mako and Sailfish; and
  - The completion of a definitive agreement to the satisfaction of each of Mako and Sailfish

*Paolo Lostritto, CEO stated "the stream is designed to increase the Company's silver exposure and should provide visibility on improved revenue, cash flow and the sustainability of the Company's industry leading dividend. In addition, Management believes that this transaction has the potential to enhance our weighting in certain commodity index funds."*

As Mako and Sailfish have a common control person, the proposed transaction will be a "related party transaction" 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. Mako and Sailfish are also non-arm's length parties (as defined in TSXV Policy 1.1) given that they share a common director and control person.

### **Convertible Debenture Private Placement**

The Company is also pleased to announce a non-brokered private placement (the "**Offering**") of unsecured convertible debentures (each a "**Convertible Debenture**") at a price of US\$1,000 per Convertible Debenture for gross proceeds of US\$4.0 million.

Each Convertible Debenture will bear interest at 10% per annum, from the date of issuance, payable semi-annually in arrears. The Convertible Debentures will mature on the date that is 24-months from the date of issuance of the Convertible Debenture (the "**Maturity Date**"). The Convertible Debentures are convertible, at the option of the holder, into common shares of the Company (each a "**Share**") at a conversion price of CAD\$1.35 per Share (the "**Conversion Price**"), at any time prior to the Maturity Date, subject to adjustment.

The Company may prepay, in cash, any or all of the Convertible Debentures at any time prior to the Maturity Date for an amount equal to the principal amount of the Convertible Debentures then outstanding plus any accrued but unpaid Interest. On the Maturity Date the holders may elect to be repaid the principal amount and all accrued and unpaid interest in cash or Shares at the Conversion Price subject to TSXV approval, and in the absence of any such election, in Shares. The Offering is integral to the Silver Stream, and therefore the Company expects to rely on the 'part and parcel pricing' exemption allowed by the TSXV.

The closing of the Offering is subject to the receipt of any necessary regulatory approvals, including the approval of the TSXV. All securities issued in connection with the Offering will be subject to a statutory four-month hold period.

The securities to be offered pursuant to the Offering have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any U.S. state securities laws, and may not be offered or sold to, or for the account or benefit of, persons in the United States or U.S. persons (as such term is defined in Regulation S promulgated under the U.S. Securities Act), absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities to, or for the account or benefit of, persons in the United States or U.S. persons, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

### **Appointment of New Director**

The Company is pleased to announce the appointment of Asheef Lalani as an independent director to the board of Sailfish Royalty Corp. Mr. Lalani graduated from the University of Waterloo with a Bachelor of Mathematics and Masters of Accounting, earned the CA/CPA designation in 2002 and is a CFA charterholder since 2003. Asheef first started his career with PricewaterhouseCoopers in 1998 and went on to become a portfolio manager at UBS Securities. Currently, Mr. Lalani is the Chief Investment Officer at Berczy Park Capital – a private family office in Toronto, Canada.

### **Termination of Letter of Intent**

Further to the Company's press releases dated October 7, 2021, May 26, 2022 and November 16, 2022, the Company announces that it has signed a termination agreement in respect of the binding letter of intent dated October 6, 2021 as amended by the amending agreement dated June 30, 2022 between the

Company and 1287398 BC Ltd. (the “LOI”), which, among other things, contemplated the spinout of Sailfish’s Gavilanes Silver Project to an entity to be named “Swordfish Silver”. Effective today, all obligations and agreements associated with such LOI are terminated and of no further force and effect.

#### **About Watts Griffis & McOuat Ltd.**

WGM is a Canadian based professional consulting group focused on the exploration and mining industry since 1962. WGM has served the international mining community by completing projects in over 125 countries from grass-roots exploration through to mine closure including valuations of mineral assets, due diligence, expert witness services, Mineral Resource/Reserve estimates and audit, technical reports, exploration project management, Quality Assurance/Quality Control, mine planning, engineering and metallurgical investigations, space mining, and in-house Geomatics, GIS and map production. WGM has extensive experience in international reporting codes: NI 43-101, CIM, JORC, PERC and SAMREC. These projects have been carried out for worldwide clientele including governments, banks, mining companies, indigenous companies, law firms and financial organizations. More information on WGM’s services can be found at [www.wgm.ca](http://www.wgm.ca)

#### **About INFOR Financial Group Inc.**

INFOR Financial Inc. is a leading, employee-owned Canadian independent investment bank offering advice on mergers and acquisitions, capital raises, risk management, private funds and corporate restructurings. The team at INFOR Financial is committed to offering sophisticated, insightful, forward-thinking financial advice and has been directly involved in originating and executing over 2,000 transactions valued at more than \$390 billion. Since its inception, INFOR Financial Inc. has consistently been ranked as one of the top independent M&A advisors in Canada. INFOR Financial Inc. is a registered investment dealer and a member of the Investment Industry Regulatory Organization of Canada (IIROC).

#### **About Sailfish**

Sailfish is a precious metals royalty and streaming company. Within Sailfish’s portfolio are three 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; an up to 3% NSR on the multi-million ounce Spring Valley gold project in Pershing County, Nevada; and a 100% interest in the Gavilanes Silver Project located in Durango State, Mexico.

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](http://www.sailfishroyalty.com) for additional information.

**For further information:** Paolo Lostritto, CEO, tel. 416-602-2645 or Akiba Leisman, Executive Chairman, tel. 917-558-5289.

*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.*

#### **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 Company’s proposed acquisition of the Silver Stream and completion of the Offering will complete on the proposed terms, that the Company will be able to utilize the net proceeds of*

*the Offering in the manner intended, the Company's views regarding the production potential of Mako's concessions, the Company's intention to increase its silver exposure and the Company's belief that that it will enhance its weighting in certain commodity index funds as a result of its acquisition of the Silver Stream. 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 Company's proposed acquisition of the Silver Stream and the Offering will ultimately close on the proposed terms and that the Company will receive approvals of all regulatory bodies having jurisdiction in connection with transactions set out in the LOI and for the Offering. 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 Offering, receipt of TSXV and other regulatory approval for completion of the Offering and the Company's proposed acquisition of the Silver Stream, satisfactory due diligence completed by the parties and satisfaction of other conditions for completion of the Company's proposed acquisition of the Silver Stream. 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.*