



Sandbox Royalties Announces Solid 2023 Financial Results

“Our first full year has seen Sandbox make incredible strides and we enter 2024 with a portfolio generating positive free cash flow complemented by an enviable pipeline of growth assets that will see our financial strength continue to increase,” said John Armstrong CEO of Sandbox. “With contributions from the newly acquired Greenstone gold purchase agreement in November and December, we generated total revenues of US\$3.1 million, and cash flow from operations, before changes in non-cash working capital, of over US\$1.0 million in 2023. We expect that with the ramp-up of Greenstone, revenue should increase to over US\$10 million in 2024. We are currently seeing an abundance of high-quality and attractive growth opportunities through our corporate development activities, and we are optimistic about being able to further deploy capital and grow Sandbox in 2024.”

Inaugural Full Year 2023 Highlights

- Generated Revenues of US\$3.14 million and Gross Profits of US\$0.84 million;
- Cash Flow from Operating Activities, before changes in non-cash working capital of US\$1.03 million;
- Cash Balance increased by US\$2.64 million from prior year to US\$6.72 million as at December 31, 2023;
- Completed and financed the acquisition of 3 key royalty and streaming interests on in construction assets (the Greenstone gold mine owned 60% by Equinox Gold and 40% by Orion Mine Finance, the Blackwater gold mine being built by Artemis Gold and the El Pilar copper mine owned by Southern Copper) for US\$100 million;
- Added Regal Funds Management and Beedie Capital as shareholders and strategic partners to support further growth at Sandbox; and
- Secured a US\$30 million revolving credit facility with a US\$15 million accordion feature arranged by the Bank of Montreal, as lead arranger, and National Bank of Canada.

Portfolio Highlights

Greenstone Gold Mine (1.26% Gold stream)

Equinox has reported that the Greenstone project is almost complete, with construction on budget and substantially completed. Recently, Equinox announced that ore was introduced into the grinding circuit on April 6 and that the first gold pour is expected in May. More than 1.5 million tonnes of ore have been stockpiled for the startup and 70,000 tonnes of low-grade ore have been pre-crushed to use for early commissioning feed. Progressively higher-grade ore will be fed into the mill as production ramps up, with commercial production targeted for Q3 2024. As per the gold purchase agreement, Sandbox has been receiving monthly gold deliveries since November 2023, at the minimum amount of 350 oz per month (Sandbox's 70% share). The gold is payable from any of Equinox's operating mines.

Mercedes Mine (2% NSR)

During the fourth quarter of 2023, the Mercedes mine produced 13,478 ounces of gold and 52,144 ounces of silver, from a total of 135,918 tonnes of ore. This brought the total production of Mercedes for 2023 to 43,860 ounces of gold and 167,019 ounces of silver, which was at the high end of the company's most recent production guidance of 39,000 - 45,000 gold ounces. Bear Creek announced in January 2024 that it had closed the previously announced financial restructuring transaction with Sandstorm. The effect of the restructuring is a reduction in deliverable gold ounces under the Sandstorm gold stream, suspension of the Nomad silver stream and conclusion of the Nomad gold stream. Starting January 1, 2024, the net effect will be a monthly decrease of 958 gold equivalent ounces being delivered by Bear Creek, representing a 78% decrease from historic monthly deliveries. This will improve Bear Creek's ability to generate free cash flow and re-invest in the long-term success of the mine via exploration.

Blackwater Mine (0.21% NSR)

Construction of the Blackwater project continues to move smoothly, with overall construction at 59% and C\$389 million spent (of C\$730 - \$750 million) as of December 31, 2023. Earthworks are largely complete, mill building foundation prepping is underway, leach tanks are being erected, mining equipment has arrived on site and assembly is well advanced and most of the procurement activities completed. Artemis Gold reiterated that the project remains fully funded, within budget and on schedule for first gold pour in the second half of 2024. On February 21, 2024, Artemis Gold announced the results of an expansion study for the Blackwater Mine. The expansion study accelerated the timing of Phase 2 to year 3 (15 Mtpa) and Phase 3 to year 7 (25 Mtpa). The expansion scenarios increase gold production to 500 koz Au per annum for the 17 year mine life, having an all-in sustaining cost of US\$781/oz Au and an NPV of C\$3.25B.

El Pilar Copper Mine (1.0% GRR)

In Q3 2023, Southern Copper reported that the project continues to be developed, with basic engineering completed, the ongoing evaluation of ways to improve leach recoveries, and engaging in project development and onsite environmental activities. Southern Copper continues to message production in 2025 with a capital expenditure of US\$310 million.

Vittangi (1.0% NSR)

During the fourth quarter of 2023, Talga made significant progress at its Vittangi project. This included conducting additional exploration activities, defining new graphite targets in the vicinity of Vittangi, securing an A\$31M environmental bond facility, advancing discussions related to project financing, and continuing earthworks at the future refinery site. Talga continues to advance the permitting process, with the refinery permit already fully approved. The company is now awaiting a final decision on the mine permit.

Sandbox will provide an update to shareholders and details regarding the financial results for the first quarter of 2024 in late May.

For more information about Sandbox Royalties, please visit our website at

www.sandboxroyalties.com

General inquiries email: **info@sandboxroyalties.com**.

About Sandbox Royalties

Sandbox is a private Vancouver-based diversified metals royalty company focused on acquiring and managing a portfolio of royalties on financially viable mining operations and projects across a diverse range of commodities, located in mining-friendly jurisdictions, and managed by strong operators.

The scientific and technical information contained in this news release has been reviewed and approved by Diego Airo, P.Eng, Vice President of Evaluations for Sandbox Royalties and a member of the Association of Professional Engineers and Geoscientists of the Province of British Columbia. Mr. Airo is a Qualified Person as defined in the National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

Sandbox uses certain performance measures in its analysis. These non-GAAP performance measures are included in this document because these statistics are key performance measures that management uses to monitor performance to assess how the Company is performing. These performance measures do not have a standard meaning within IFRS and, therefore, amounts presented may not be comparable to similar data presented by other companies.

Cautionary Note Regarding Forward-Looking Information

This news release contains forward-looking statements regarding: the potential pipeline of growth assets; financial strength continuing to increase; expected contributions from Greenstone; the ability to further deploy capital and grow Sandbox in 2024; anticipated release of first quarter results; and other statements regarding future plans, expectations, exploration potential, guidance, projections, objectives, estimates and forecasts as well as the company's expectations with respect to such matters. These forward-looking statements are provided as of the date of this news release, or the effective date of the documents referred to in this news release, as applicable, and reflect predictions, expectations or beliefs regarding future events based on the company's beliefs at the time the statements were made, as well as various assumptions made by and information currently available to them. In making the forward-looking statements included in this news release, the company has applied

several material assumptions, including, but not limited to: the company's activities will be conducted in accordance with the company's public statements and stated goals; there will be no material adverse change affecting the company; trends in currency exchange rates; that the company will be successful in becoming a leading diversified metals royalty and streaming company; ability to meet current and future obligations and other assumptions. Although management considers these assumptions to be reasonable based on information available to it, they may prove to be incorrect. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that estimates, forecasts, projections and other forward-looking statements will not be achieved or that assumptions on which they are based do not reflect future experience. We caution readers not to place undue reliance on these forward-looking statements as a number of important factors could cause the actual outcomes to differ materially from the expectations expressed in them. These risk factors may be generally stated as the risk that the assumptions expressed above do not occur, but specifically include, without limitation, risks relating to general market conditions. The foregoing list of factors that may affect future results is not exhaustive. Readers should carefully consider the foregoing factors and other uncertainties and potential events. The company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the company or on behalf of the company, except as required by law.