

Opportunity for significant high-grade gold production, at good margins, in a safe Canadian mining jurisdiction

Post Tax IRR/NPV of 21.7% and C\$539 million

Assumes a gold price of US\$1200/oz and C\$ exchange rate of 0.87

Conference Call & Webcast Thursday May 21, 2015 at 7:00am Pacific Time

VANCOUVER, BRITISH COLUMBIA--(Marketwired - May 20, 2015) - Sabina Gold & Silver Corp. (TSX:SBB), ("Sabina" or the "Company") is pleased to announce it has received the results of the Feasibility Study ("FS" or the "Study") for its 100%-owned Back River gold project ("Back River" or the "Project") in Nunavut, Canada. The FS was led by JDS Energy & Mining Inc. ("JDS") (mining, on-site infrastructure, off-site infrastructure, logistics, capital costs, operating costs, financial analysis and report preparation) ("JDS") and contributed to by Hatch Ltd. ("Hatch") (metallurgy, processing, on-site infrastructure and off-site infrastructure), SRK Consulting (Canada) Inc. ("SRK") (geotechnical, hydrology, tailings design, waste and water management), AMC Mining Consultants (Canada) Ltd., ("AMC") (geology), and Knight Piésold Ltd. ("KP") (geomechanical).

The Back River Gold Belt is located in the West Kitikmeot Region of Nunavut, Canada and is situated approximately 75 km from tide water at Bathurst Inlet. The Project is made up of a series of five claim blocks of which only two (Goose and George) have been the primary focus of exploration and resource development to date.

"Back River offers a rare opportunity for significant high grade gold production by both open pit and underground operations in one of the world's safest mining jurisdictions. We are very pleased to announce what we believe is a very compelling FS," said Bruce McLeod, President & CEO. "The FS presents a project that has been designed on a fit-for purpose basis, with the potential to produce ~350,000 ounces a year for ~10 years with a rapid payback of 2.2 years. At a US\$1,200 gold price and a 0.87 exchange rate, the Study delivers a potential after tax internal rate of return ("IRR") of approximately 22% with an initial CAPEX of \$695 million. Comparing the Study against other projects we believe this is a sound FS that demonstrates the potential of Back River to be a significant Canadian gold producer. Additionally, as part of their recommendations in the FS, JDS has identified the potential optionality to start smaller at Back River which could kick off production on the belt. Such an opportunity would require less initial capital which in these markets may enhance shareholder value."

Feasibility Study Highlights

The FS was initiated in June of 2014 following the encouraging results of the Preliminary Feasibility Study ("PFS") on Back River which was announced in October of 2013.

All currencies are in Canadian dollars unless otherwise specified. Base case economics are based on a gold price of US\$1200/oz Au and an exchange rate of 0.87 (US\$:C\$).

The Study's highlights include:

- The Project could generate a post-tax IRR of 21.7% and net present value ("NPV") (at 5% discount rate) of \$539 million
- The Project could generate Life Of Mine ("LOM") post-tax net cash flow of \$914 million on gross revenues of \$4.5 billion with a payback period of 2.2 years (from start of operations);
- Processing rate of 6,000 tonnes per day ("tpd") could produce an average of ~346,000 oz Au per year (post commencement of commercial production)
- Average production of 413,000 oz Au in years 1 through 4;
- Majority of production from open pit;
- Initial capital estimate of \$695 million and sustaining capital estimate of \$529 million (including closure);
- Total LOM cash cost estimate of US\$535/oz Au (including third party royalties, refining and transport). LOM all-in sustaining cash cost estimates of US\$671/ oz Au LOM (including sustaining capital);
- A total of 19.8 million tonnes of ore could be milled over 10 years with a LOM average grade of 5.70 grams per tonne ("g/t") Au and metallurgical recoveries of 93%;
- Base case assumptions of delivered diesel price of \$0.94/L for power generation; and
- Open Pit strip ratio of 7.2:1 over LOM.

To view Figure 1, *Annual Gold Production & Avg. Grade*, please visit the following link:
<http://media3.marketwire.com/docs/1008095-F1.pdf>

Comparison to the PFS

Compared to the PFS, the FS provides:

- Improved economics using a lower gold price
- Longer mine life from increased measured and indicated resources;
- More ounces could be recovered due to improved gold recoveries, notably from the first years of open pit mining resulting in a positive impact on the economics and payback;
- Optimized throughput - increased throughput to 6,000 tpd from 5,000 tpd resulting in higher production yield;
- Improved mine sequencing providing opportunity for smaller initial tailings facility and utilization of open pits for tailings disposal.

BACK RIVER GOLD PROJECT - FS

Economic Analysis and Sensitivities

Economic factors and assumptions include the following:

- Discount rate of 5%;
- Costs based on nominal 2015 Canadian dollar values;
- No application of inflation;
- Values are presented on a 100% ownership basis and do not include management fees or financing costs;
- Exclusion of all pre-development and sunk costs (i.e., exploration and resource definition costs, engineering field work and studies costs, environmental baseline study costs, etc.). Note: pre-development and sunk costs are used in tax calculations;
- Gold price of US\$1,200/oz;
- US\$:CD\$ exchange rate of 0.87;
- Includes estimated third-party net smelter royalties which average 3.3% over LOM
- NWT/Nunavut Mineral Royalties (NTNMR) have been evaluated as part of the after-tax analysis. The Crown royalty is levied on a mine-by-mine basis and is equal to the lesser of 8% of the net value of mine output during a fiscal year, and an escalating rate from 0% to 14% on incremental levels of net value of the mine output during a fiscal year.
- The Back River Mineral Resources considered in the Study are on grandfathered properties subject to royalties under the NTNMR;
- Federal tax rate of 15% and a NWT 12% rate were used to calculate income taxes;
- Canadian Exploration Expense (CEE) and Canadian Development Expense (CDE) tax pools were used with appropriate opening balances to calculate income taxes; and
- Specific capital cost class Capital Cost Allowance (CCA) rates were applied and used to calculate the appropriate CCA the Company can claim during the entire life of the Project.

Pre-tax and after-tax financial performance is summarized in Table 1. Pre-tax results provide a point of comparison with similar projects and are not intended to represent a measure of absolute economic value.

Table 1: Summary of Economic Results

Category	Unit	Value
Net Revenues	\$M	4,486
Operating Costs	\$M	1,906
Cash Flow from Operations	\$M	2,664
Capital Costs*	\$M	1,221
Cash Cost‡	US\$/oz	535
All-in sustaining Cash Cost°	US\$/oz	671
Net Pre-Tax Cash Flow	\$M	1,356
Pre-Tax NPV _{5%}	\$M	826
Pre-Tax IRR	%	26.4
Pre-Tax Payback	Years	2.1
Break-Even Pre-Tax Gold Price (NPV _{5%} =0)	US\$/oz	882
Total Taxes	\$M	442
Net After-Tax NPV _{5%}	\$M	539
After-Tax IRR	%	21.7
After-Tax Payback	Years	2.2
Break-Even After-Tax Gold Price (NPV _{5%} =0)	US\$/oz	885
(*) Includes pre-production, sustaining and closure capital costs		
(‡): (Refining Costs + Insurance + Transport Costs + Third Party Royalties + Operating Costs) / Payable Au oz		
(°): (Refining Costs + Insurance + Transport Costs + Third Party Royalties + Operating Costs + Sustaining and Closure Costs) / Payable Au oz		

Source: JDS 2015

A sensitivity analysis was conducted on after-tax net present values (NPV_{5%}) for individual parameters, including the gold price, foreign exchange rate, operating costs, and capital costs. The results are shown in Tables 2 and 3. The Project proved to be

most sensitive to changes in the foreign exchange rate and gold price. The Project showed least sensitivity to operating costs.

Table 2 - Sensitivity to CAPEX & OPEX (at US\$1,200 gold) Post-Tax.

	NPV-5%(\$M) IRR (%)	Operating Costs				
		-20%	-10%	Base Case	+10%	+20%
	-20%	892	814	735	656	577
C		34.1	32.3	30.5	28.6	26.6
a C	-10%	794	716	637	558	479
p o		29.3	27.6	25.8	23.9	21.9
i s	Base Case	696	618	539	461	381
t t		25.2	23.5	21.7	19.8	17.8
a s	+10%	599	520	441	363	283
l		21.5	19.8	18.1	16.2	14.2
	+20%	501	422	344	265	186
		18.3	16.6	14.8	12.9	10.8

Table 3 - Sensitivity to Gold Price Post-Tax

Gold Price (US\$/oz)	NPV-5% (C\$M)	IRR (%)
\$1,000	203	12.2
\$1,200	539	21.7
\$1,250	622	23.7
\$1,500	1,036	32.9
\$1,600	1,201	36.1

2015 Feasibility Study Parameters

The Back River mineral resource consists of two sites: George and Goose. Each site has four mineable deposits with the majority of the Mineral Resources and Mineral Reserves located at the Goose Site. The Project is based on conventional open pit and underground mining operations that feed a 6,000 tpd whole-ore leach process plant located at Goose, which could produce an average of approximately 346,000 ounces of gold per year as dore bullion over a 10 year mine life with the majority of reserves being mined by open pit.

A total of 19.8 million tonnes ("Mt") of ore could be mined at a mill head grade of 5.7 g/t au and a projected recovery of 93%. A total of 3.4 Moz Au is projected to be recovered over the life of mine with cash costs of approximately US\$535 per oz Au including royalties. All-in life of mine cash costs (including initial and sustaining capital costs) are approximately US\$850 per oz Au.

Initially tailings could be stored in a purpose-built storage facility followed by deposition into exhausted open pits at Goose. Mine construction and operations could be facilitated by sealift during the summer months, and an ice road from the marine laydown area ("MLA") in the winter. Supplies could be brought by sealift to the MLA at Bathurst Inlet and hauled to the Goose mill by winter road.

Table 4 - Feasibility Study Parameters

Projected LOM Production			
Open pit ore to process	Kt	10,765	54%
Underground ore to Process	Kt	9,028	46%
<i>ROM to Process - Total</i>	<i>Kt</i>	<i>19,793</i>	<i>100%</i>
Ore Grade			
ROM Grade to Process - O/P	g/t Au	5.2	
ROM Grade to Process - U/G	g/t Au	6.3	
<i>ROM Grade to Process - Average</i>	<i>g/t Au</i>	<i>5.7</i>	
Operating Metrics			
LOM Production - O/P	K oz Au	1,680	50%
LOM Production - U/G	K oz Au	1,705	50%
<i>LOM Production - Total</i>	<i>K oz Au</i>	<i>3,385</i>	<i>100%</i>
Avg. Annual Production	K oz Au / year	352.2	

Mine Life	Years	9.6	
O/P Strip Ratio		7.2:1	
Mill Design Throughput	tpd	6,000	
Gold Recovery	%	93.3%	
Capital Costs (C\$M)			
Direct Costs	Pre-Production	Sustaining	Total
Mining	106	292	398
Processing	112	-	112
On-Site Infrastructure	172	55	227
TSF and Water Management	20	32	52
Off-Site Infrastructure	73	35	109
<i>Subtotal Direct Costs</i>	<i>483</i>	<i>414</i>	<i>897</i>
Indirect Costs			
Owner's Costs	30	-	30
Project Indirects	126	4	130
Contingency	56	22	78
Total	695	440	1,135
Closure Costs		86	86
Operating Costs	C\$M/a	C\$/t milled	US\$/Oz Au
Open Pit Mining	28.5	13.79	70.39
Underground Mining	46.1	22.28	113.69
Process	53.8	26.04	132.88
Surface Services	27.0	13.08	66.75
G&A	28.2	13.61	69.47
Freight Costs (Ocean/Port/Ice Roads)	9.3	4.48	22.87
Ore Hauling (George to Goose)	6.2	3.00	15.29
Total	199.1	96.28	491.35
Total Cash Costs (including royalties, refining and transport)			534.71
All in Cash Costs (including all capital)*			850.33
Financial Metrics			
Based Case Gold Price	\$/oz Au	\$1,200	
Exchange Rate	C\$:US\$	\$0.87	
Average NSR Royalty	%	3.3%	

*: Includes pre-production, sustaining and closure capital costs

Geology and Mineralization

The Goose Site consists of four main deposits that contain predominantly structurally-controlled gold mineralization: Goose Main, Echo, Umwelt, and Llama. Gold mineralization is predominantly hosted within the Lower Iron Formation ("LIF") and, to a much lesser extent, the underlying sediments. The Goose Main, Umwelt, and Llama deposits are associated with anticlinal structures that have been structurally thickened and disrupted, and cut by axial planar felsic dykes, which apparently trace the fluid pathways and are related to mineralization. The Echo deposit is associated with gentle folding of iron formation and a cross-cutting felsic dyke. Mineralization is spatially associated with the felsic dyke.

The George Site consists of six main deposits: Locale 1 ("LOC1"), Locale 2 ("LOC2"), Slave, GH, LCP North ("LCPN") and LCP South ("LCPS"). Gold mineralization is located within oxide iron formations near the stratigraphic base of this unit. Less significant gold mineralization is also hosted within a silicate iron formation. Gold-bearing zones are associated with sulphide concentrations in the iron formation, and are commonly accompanied by increased quartz veining and attendant alteration of the surrounding rocks.

Infrastructure

Each of the MLA, Goose and George sites would have bulk fuel storage tanks, laydown yards, diesel power plants, maintenance shops, accommodation camps, water and domestic waste management facilities, and satellite communications. All-weather airstrips would be located only at the Goose and George sites. In winter, the three sites would only be connected by ice roads. All-weather roads allow for year-round access within each site.

The major infrastructure related to the mining and processing operations at the Goose Site includes the process plant buildings, power plant, truck shop/administration complex, accommodation camp, tailings storage facilities, waste rock storage areas

("WRSA"), water management drainage and storage ponds, and haul roads and equipment to service the underground mines.

The MLA would support the seasonal trans-shipment and staging of construction and operational freight. Because access to the Property is seasonal, the types and capacities of the Project infrastructure have been designed to store and transport the required yearly quantities of equipment, materials, and supplies.

Buildings and facilities at the Goose site would be heated primarily by heat recovered from the power plant as would the Umwelt underground mine ventilation air.

The accommodation camps would be portable, modular units constructed off-site. The construction and mine-site operations phases at the Goose Site would require accommodation for up to 465 workers. The construction and mine-site operation phases at the George Site would require accommodation for up to 150 workers. The construction and port operation phases at the MLA site would require accommodations for up to 75 workers.

Power

The FS includes 100% on-site diesel generated power at Goose, George and the MLA based on a diesel price of \$0.94/L for power generation was assumed. The estimated power unit cost averages \$0.24/kWh not including capital cost or operating labour at the Goose site. The average annual process related fuel consumption for power generation at Goose is estimated to be 26.3 million litres.

Mining

Conventional shovel-and-truck open pits combined with underground mines are projected to provide the process plant feed at a nominal rate of 6,000 t/d or 2.2 (Mt/a) for a period of 10 years. Annual mine production of ore and waste is profiled to peak at 13.6 Mt/a from the open pits, with a LOM waste to ore strip ratio of 7.2. Ore production from underground mining will peak at 1.7 Mt/a and will supplement the feed from the open pits. In order to optimize the Project cash flow, the run of mine ore is planned to be segregated into high, medium, and low-grade stockpiles located adjacent to the processing plant.

The FS contemplates mining starting at Goose in Year -2 and at George in Year 5. Open pit mining at Goose would begin with the Umwelt pit in Year -2 to provide waste rock for construction and enable the stockpiling of high-grade ore prior to the start of plant processing. Open pit mining would then transition sequentially to the Llama, Goose Main and Echo pits. Open pit mining would be completed by Year 6 at Goose. Underground ore production would begin in Year 1 with the Llama mine and then transition to the Umwelt, Goose Main and Echo mines. Umwelt mine, beginning in Year 2, will continue until Year 10. Open pit mining operations at George would transition sequentially from LCPN through LOC1, LCPS and LOC2. Underground mining operations at LOC1, LOC2 and LCPs would begin simultaneously in Year 7.

Open pit mining operations would use a fleet comprising 7 m³ shovels, a 7 m³ front-end loader, 4 m³ excavators, and 64 tonne haul trucks. This fleet would be supplemented by drills, graders, and track and rubber-tire dozers. A 5-m bench height was selected for mining in ore and waste with overall 20 m effective bench heights based on a quadruple-bench configuration.

Underground mining operations would be carried out using post pillar cut-and-fill, drift and fill, and longitudinal open stoping mining techniques. Underground mining would use a combination of two-boom jumbos, long-hole production drills, 10 t load-haul-dump (LHD) vehicles, and 30 t trucks.

Metallurgy

In early 2013, a comprehensive metallurgical test program was conducted to further assess the metallurgical performance of the mineralization to support the PFS. A subsequent and more detailed test program commenced in late 2013 and concluded mid-2014 to support the FS.

Based on the 2014 and historical test results, a combination of gravity separation and cyanide leach processes is proposed for the Project.

The 2014 test results are summarized as follows:

- Whole-ore leach showed slightly better metallurgical recoveries when compared to a flotation/regrind/concentrate leach circuit;
- Gold recoveries by gravity concentration ranged from 16 to 76%;
- A weighted 75th percentile Bond ball mill work index ("BWi") of 15 kWh/t was determined, indicating moderate hardness in terms of grinding requirements; and
- The optimum grind for the ore was determined to be 50 µm (P80).

Test work results were used to determine the relationship between mill feed grade and metallurgical recoveries for each of the deposits as shown in Table 5.

Table 5: Gold Recovery Projections

Mineral Zone	Head Grade (g/t Au)	Estimated Gold Recovery (%)
Umwelt	6.1	92.0
Llama	6.7	91.1
Goose Main	4.7	95.0
Echo	5.2	95.0
George Deposits	5.9	95.0
LOM	5.7	93.3

Processing and Recovery

The 6,000 t/d process plant will be designed to use conventional crushing, grinding, gravity concentration, gold leaching by cyanidation, gold adsorption by carbon-in-pulp ("CIP"), and gold recovery from loaded carbon and gravity concentrate to produce gold doré. Cyanide destruction of the tailings would be by an air/SO₂ process. The overall design philosophy uses proven equipment with a simple and conventional single-line process flow that can be operated and maintained effectively in an arctic environment.

Tailings

The Project could produce a total of 19.8 Mt / 16.5 million cubic metres ("Mm³") of tailings over the LOM. The dedicated Tailings Storage Facility ("TSF"), located adjacent to and south of the Goose Main open pit, was designed to contain the first two years of tailings (3.8 Mt / 3.1 Mm³) behind a frozen foundation dam with an integral liner. The balance (16.0 Mt / 13.4 Mm³) could be deposited into the mined-out Umwelt open pit (Umwelt Tailings Facility) followed by the Goose Main pit (Goose Main Tailings Facility). Ultimately, potentially acid generating ("PAG") and non-potentially acid generating ("NPAG") waste rock will be deposited on the TSF once tailings deposition has relocated to Umwelt Tailings Facility followed by the Goose Main Tailings Facility.

Freight Transportation

Mine construction and operations will have equipment and materials (including fuel) transported mainly from east and west coast ports to the MLA at Bathurst Inlet by sealift during the summer months. Equipment and materials will then be hauled to the Goose and George sites by a winter ice road. Limited amounts of materials will be transported to the sites by aircraft.

Capital Costs

The initial capital cost estimate is \$695M, as summarized in Table 6.

Table 6: Capital Cost Estimate Summary

Capital Cost	Pre-Production \$M	Production \$M	LOM \$M
Mining	105.9	292.4	398.3
Processing	111.7	0.0	111.7
On-Site Infrastructure	172.3	54.7	227.0
Off-Site Infrastructure	73.4	35.3	108.7
Water & Waste Management	19.7	31.9	51.6
Owner's Costs	30.3	0.0	30.3
Indirect Costs	125.6	3.9	129.5
Reclamation	0.0	85.5	85.5
Subtotal	638.9	503.7	1,146.2
Contingency	55.8	22.1	77.9
Total Capital Costs	694.7	525.8	1,220.6

The capital cost estimates were prepared using first principles, and applying direct project experience. The estimate is based on feasibility-level engineering, quantity estimates, supplier/contractor quotations for equipment and materials, as well as estimated

labour rates and productivity factors specific to northern Canadian locations.

The initial capital estimates include all pre-production mining activities (Year -2 and Year -1) and are based on Owner-performed mining. Equipment leases have not been considered in this FS.

The initial capital cost estimate is based on the execution plans described in this Study. Sunk costs and owner's reserve were not considered in the initial capital estimate.

The sustaining capital estimate is based on waste development, mining equipment acquisition and rebuilding, and mining infrastructure installations as defined by the mine plan during operations.

Operating Cost Estimation

The average life-of-mine (LOM) unit operating cost is estimated at \$96.28/t processed and is summarized in Table 7. The mine will use a peak total workforce of approximately 1,333 people including all contract labour.

Table 7: Operating Cost Estimate Summary

Operating Cost ^{&dagger;}	Average Annual LOM Cost (\$M/yr)	LOM Cost (\$M)	Unit Cost (\$/t processed)
Open Pit Mining*	28.5	273.0	13.79
Underground Mining ^{&Dagger;}	46.1	440.9	22.28
Processing	53.8	515.3	26.04
Site Surface	27.0	258.9	13.08
Freight	9.3	88.7	4.48
Ore Haulage - George ^o	6.2	59.3	3.00
G&A	28.2	269.4	13.61
Total Operating Costs	199.1	1,905.6	96.28

(†): Operating Costs include the working capital during the pre-production period.

(*): Average LOM Open Pit Mining Cost amounts to \$3.95/t mined at a 7.2:1 strip ratio.

(‡): Average LOM Underground Mining Cost amounts to \$49.11/t mined.

(^o): George Ore Hauling quantities amount to 3.4Mt LOM at \$19.35/t hauled.

Note 1: Excludes pre-production mining activities.

Mineral Resource Estimate

The Mineral Resource estimate is based on geologic block models that incorporated:

- 896 drill holes (for a total of 244,853 m and 124,274 assays) at the Goose Site on the Llama, Umwelt, Echo, and Goose Main deposits; and
- 770 drill holes (for a total of 139,695 m and 54,273 assays) at the George Site on the LCPN LCPS LOC1, Loc2, GH, and Slave deposits.

Mineralized domains were constructed to constrain the estimates using a 0.3 g/t Au threshold for both the Goose and George sites. Capping was employed where required, and varied by deposit. Data density allowed for Indicated and Inferred Resources to be classified at all deposits, with Measured Resources also classified at the Goose Main, Llama, and Umwelt deposits.

Table 8: Summary of Estimated Mineral Resources (as of October 21, 2014)

Classification	Tonnes (kt)	Au (g/t)	Metal (koz Au)
Measured	10,273	5.27	1,740
Indicated	17,969	6.22	3,593
Measured and Indicated	28,242	5.87	5,333
Inferred	7,750	7.43	1,851

CIM definitions were used for the Mineral Resources.

Ms. D. Nussipakynova, P.Geo. and Dr. A. Fowler, Ph.D., MAusIMM, CP (Geo), both from AMC and Qualified Persons under NI 43-101, take responsibility for the Mineral Resource estimates.

Open pit Mineral Resources are constrained by an optimized pit shell at a gold price of US\$1,500 oz. The cut-off grade applied to the open pit Resources is 1.0 g/t Au.

The underground cut-off grade is 4.0 g/t Au for all George Mineral Resources (LCPN, LCPS, LOC1, LOC2, GH, and Slave), 3.5 g/t Au for Goose Main, Echo, and Llama, and 4.5 g/t for the Umwelt deposit.

The George Mineral Resources were estimated within mineral domains expanded to a minimum width of 2 m for the underground Mineral Resources.

Drilling results up to December 31, 2013 are included, except for Echo (July 4, 2014) and LOC1 and LOC2 (July 21, 2014).

The numbers might not add due to rounding.

Measured and Indicated Mineral Resources are inclusive of Mineral Reserves.

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Mineral Reserve Estimate

The Mineral Reserve estimate for the Project is based on the Mineral Resource estimate completed by AMC with an effective date of October 21, 2014.

The Mineral Reserves were developed by examining each deposit to determine the optimum practical mining method. Cut-off grades (COGs) were then determined based on appropriate mine design criteria and the adopted mining method. Four mining methods were chosen: shovel-and-truck open pit mining, underground mining using post pillar cut-and-fill (PPCF), drift and fill (DF), and longitudinal open stoping (LOS).

Table 9: Summary of Estimated Mineral Reserves (as of April 21, 2015)

Area	Classification	Tonnes Au (g/t) Contained		
		(kt)		Au (koz)
Total Open Pit	Proven	7,902	5.35	1,360
	Probable	2,862	4.79	441
Total Underground	Proven	256	5.54	46
	Probable	8,772	6.32	1,782
Total Back River Property	Proven	8,158	5.36	1,405
	Probable	11,634	5.94	2,223

1. A gold price of US\$1,250/oz is assumed.
2. An exchange rate of CDN\$1.05 to US\$1.00 is assumed.
3. The numbers might not add due to rounding.
4. Notes for open pit:

Dilution and recovery factors are applied as per open pit mining method.

A COG of 1.39 g/t was used for the Umwelt Open Pit Mineral Reserve estimate.

A COG of 1.41 g/t was used for the Llama Open Pit Mineral Reserve estimate.

A COG of 1.37 g/t was used for the Goose Main Open Pit Mineral Reserve estimate.

A COG of 1.30 g/t was used for the Echo Open Pit Mineral Reserve estimate.

A COG of 1.90 g/t was used for the LCPS Open Pit Mineral Reserve estimate.

A COG of 1.90 g/t was used for the LCPN Open Pit Mineral Reserve estimate.

A COG of 1.87 g/t was used for the LOC1 Open Pit Mineral Reserve estimate.

A COG of 1.89 g/t was used for the LOC2 Open Pit Mineral Reserve estimate.

Notes for underground:

Dilution and recovery factors are applied as per underground mining method.

A COG of 3.18 g/t was used for the Umwelt underground Mineral Reserve estimate.

A COG of 3.80 g/t was used for the Llama underground Mineral Reserve estimate.

A COG of 3.77 g/t was used for the Goose Main underground Mineral Reserve estimate.

A COG of 3.21 g/t was used for the Echo underground Mineral Reserve estimate.

A COG of 4.02 g/t was used for the LCPS underground Mineral Reserve estimate.

A COG of 3.84 g/t was used for the Locale 1 underground Mineral Reserve estimate.

A COG of 4.09 g/t was used for the Locale 2 underground Mineral Reserve estimate.

Both the Mineral Resource and Mineral Reserve estimations take into consideration on-site operating costs (e.g., mining, processing, site services, freight, general and administration), geotechnical analysis for both open pit wall angles and underground stope size, metallurgical recoveries, and selling costs. In addition, the Mineral Reserves incorporate allowances for mining recovery and dilution, and overall economic viability.

Project Execution and Development

The Project execution plan and general Project development schedule considers the seasonality of transporting freight. The

procurement and staging of equipment, materials, and fuel at the respective east and west coast ports needs to take place at least 8-12 months before anticipated arrival at the Goose and George sites. The MLA is planned to receive sea-lift materials in the summer open-water period of August and September. Materials would then be stored until the winter ice road is operational from between January and April. Fixed-wing aircraft landing at Goose Site will support construction and operations activities by delivering passengers and select equipment and materials.

Benchmarking

The following table benchmarks against relevant studies of other operations in northern Canada and elsewhere to demonstrate the context of Back River relative to other costs and findings experienced by other companies. All information has been sourced from company technical disclosures.

Table 10: Summary of Benchmarked Studies

Parameter	Units	Back River 2015 FS	Meliadine ¹ 2015 FS	Hope Bay ² 2015 PFS	Meadowbank ³ Producing (2005 FS)	Torex ⁴ 2012 FS Average \$1,386
Au Price	US\$/oz	1,200	1,300	1,250	400 (2005 FS)	
Post Tax IRR	%	21.7	10.3	40.0	12.8% (2005 FS)	24.2%
Post Tax NPV _{5%}	\$M	539	307	626	155.2 (2005 FS)	\$900
Payback	years	2.2	5.0	1.7	N/A	3.6
OPEX	\$/t	96.28 (OP/UG)	135.27 (UG)	143.00 (UG)	73.00 (2014)(OP)	30.00 (OP)
LOM Cash Costs	US\$/oz	535	531	638	599 (2014)	504
Pre-Production CAPEX	\$M	695	1,047	206	710 (2007) 1.5 B (2012)	663
Sustaining CAPEX	\$M	529	411	334	N/A	15
	koz	3,628	3,350	3,507	1,165	4,090
Total Reserve	ktonnes	19,793	14,012	14,194	11,795	48,800
	g/t	5.70	7.44	7.70	3.08	2.61
LOM Payable Au	koz	3,374	3,214	3,200	4,273*	4,090
Annual Production	koz	346	350	160	453	337

¹ Information retrieved from "Agnico Eagle Updated Technical Report on the Meliadine Gold Project, Nunavut, Canada, February, 11, 2015" from <http://www.sedar.com/>

² Information retrieved from News Release "TMAC Resources Completes Robust Pre-feasibility Study on the Hope Bay Project", April 24, 2015 retrieved from www.tmacresources.com

³ Information retrieved from financial results of website www.agnicoeagle.com. Various dates. *Cumulative production plus 2013 reserves and resources

⁴ Information retrieved from "Morelos Gold Project – 43-101 Technical Report Feasibility Study, Guerrero, Mexico October 1, 2012" from <http://www.sedar.com/>

Back River Reduced CAPEX Opportunity

While the Back River FS offers a strong economic result and is the preferred path to production, it is recognized that financing such a project in current market conditions would be challenging.

A unique feature of the Back River Project is the multitude of open pit and underground resources along with variability of resource grades. This situation offers the optionality to selectively mine and process higher grade zones through the utilization of a higher cutoff grade. Therefore, in connection with the FS, a conceptual opportunity was identified for a smaller throughput, higher grade, lower CAPEX start-up operation.

This high level, while very preliminary and not to be relied upon, showed the potential for project scalability targeting a CAPEX in the \$300 million range and production of approximately 150,000 - 200,000 ounces of gold annually for over 10 years.

Work on an alternative reduced CAPEX scenario has not been included as part of the FS other than in the recommendations and Opportunities section of the 43-101. JDS has recommended further work be undertaken in order to evaluate a potentially more easily financeable project in the current capital markets environment.

Permitting

New and modified mining projects in Nunavut are subject to environmental assessment ("EA") and review prior to certification and issuance of permits to authorize construction and operations. The primary environmental review and approval process applicable to the Project is the territorial EA administered by the Nunavut Impact Review Board ("NIRB"). A Project Certificate, if recommended by NIRB, might be issued by the Minister of Aboriginal Affairs and Northern Development Canada ("AANDC") at the conclusion of the EA process, which represents government approval and allows the proponent to pursue the necessary regulatory authorizations needed to construct and operate the Project.

In June 2012, Sabina submitted a project description and various applications to the NIRB, Nunavut Water Board, and AANDC. In January 2014, a draft environmental impact statement was submitted to the NIRB. In July 2014, Sabina responded to project information requests, and, in October 2014, Sabina responded to agency technical comments. In November 2014, a week-long technical meeting and a pre-hearing conference were held in Cambridge Bay. A Pre-hearing Conference Decision report was produced based on these meetings with the Government of Canada, the Government of Nunavut, the Government of NWT, the Kitikmeot Inuit Association ("KIA"), and the general public. This document summarizes Sabina's commitments, and provides further direction, for the content of the 2015 Final Environmental Impact Statement ("FEIS").

The design of the Project includes a comprehensive water management plan for construction, operations, and closure. All Project components will be decommissioned and reclaimed according to best industry practices, and territorial and federal regulations. The closure plan uses proven practices that include appropriate long-term management of PAG/metal-leaching materials and any affected waters. The objective of final reclamation for the Project is to return the site to a productive condition after mining activities are completed.

Based on the information available and the proposed design, there appears to be no adverse environmental or socio-economic aspects that could limit the development of the Project.

A Technical Report for the Back River FS will be filed on SEDAR (www.sedar.com) within 45 days of this news release in accordance with National Instrument 43-101. Readers are encouraged to read the technical report once filed, including the qualifications and assumptions on which it is based.

Conference Call

The Company will be holding a conference call and webcast on Thursday, May 21, 2015 at 7am Pacific time.

Conference Call Numbers:

Canada & USA Toll Free Dial In: 1-800-319-4610

Vancouver Toll Dial In: 604-638-5340

Toronto Toll Dial In: 416-915-3239

Callers should dial in 5 - 10 min prior to the scheduled start time and simply ask to join the Sabina Gold & Silver Corp call.

Webcast Link: <http://services.choruscall.ca/links/sabina20150521.html>

Authors and Qualified Persons Statement

The FS was prepared under the direction of JDS Energy & Mining Inc. by leading independent industry consultants, all Qualified Persons (QP) under National Instrument 43-101. The QPs have reviewed and approved the content of this news release. The following consultants and QPs participated in the FS:

Qualified Person, Designation	Company	QP Responsibility/Role
Gord Doerksen, P.Eng.	JDS Energy & Mining Inc.	Executive Summary, Introduction, Reliance on Other Information, Regional Context, Economic Analysis, Adjacent Properties, Environmental Assessment, Abbreviations, Project Execution Plan, Logistics, Air Quality
Dino Pilotto, P.Eng.	JDS Energy & Mining Inc.	Mining Methods
Andrew Fowler, MAusIMM, CP (Geo)	AMC Mining Consultants (Canada) Ltd.	Mineral Resource Estimates for George
Dinara Nussipakynova, P.Geo	AMC Mining Consultants (Canada) Ltd.	Mineral Resource Estimates for Goose
John Morton Shannon, P.Geo	AMC Mining Consultants (Canada) Ltd.	Property Description, Accessibility, History, Geology
Maritz Rykaart, P.Eng.	SRK Consulting (Canada) Inc.	Geochemistry, Tailings Management, Water Storage
Gerry Schwab, P.Eng	Hatch Ltd	Infrastructure
Gavin Ritson, P.Eng	Hatch Ltd	Metallurgy, Recoveries
Rob Mercer, Ph.D., P.Eng	Knight Piésold Ltd.	Geomechanical

The Qualified Person under NI 43-101 for Sabina Gold & Silver Corp. is Wes Carson, P.Eng Vice-President, Project Development, who has reviewed the content of this news release and approved its dissemination.

Sabina Gold & Silver Corp. is an emerging precious metals company with district scale, world class undeveloped assets in one of the world's newest, politically stable mining jurisdictions: Nunavut, Canada.

Sabina's main assets consist of the Back River Gold Project and the Hackett River silver royalty both located in Nunavut. The silver royalty on Xstrata's Hackett River silver production is comprised of 22.5% of the first 190 million ounces produced and 12.5% of all silver produced thereafter.

The Company expects to end the year with \$16 million in cash and equivalents.

Forward-Looking Statements

This news release contains "forward-looking information" within the meaning of applicable securities laws (the "forward-looking statements"), including our belief as to the extent, results and timing of the FEIS, the results of the FS, the Company's potential plans and operating performance, the estimation of the tonnage, grades and content of deposits, and the extent of the resource and reserves estimates, potential production from and viability of the Company's properties, estimates of future production and operating costs and permitting submissions and timing, the timing and receipt of necessary permits and project approvals for future operations and access to project funding. These forward-looking statements are made as of the date of this news release. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated in or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur.

While we have based these forward-looking statements on our expectations about future events as at the date that such statements were prepared, the statements are not a guarantee that such future events will occur and are subject to risks, uncertainties, assumptions and other factors which could cause events or outcomes to differ materially from those expressed or implied by such forward-looking statements. Such factors and assumptions include, among others, the ability of the Company to raise sufficient funds to implement the FS, the effects of general economic conditions, changes in commodity prices including the gold price assumed in the FS, increases in input costs, uncertainty of production and cost estimates for the project, changing foreign exchange rates, actions by government and regulatory authorities and misjudgments in the course of preparing forward-looking statements. In addition, there are known and unknown risk factors which could cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Known risk factors include risks associated with exploration and project development; the need for additional financing; the calculation of mineral resources and reserves; operational risks associated with mining and mineral processing; fluctuations in metal prices; title matters; government regulation; obtaining and renewing necessary licences and permits; environmental liability and insurance; reliance on key personnel; the potential for conflicts of interest among certain of our officers or directors; the absence of dividends; currency fluctuations; labour disputes; competition; dilution; the volatility of the our common share price and volume; future sales of shares by existing shareholders; and other risks and uncertainties, including those relating to the Back River Project and general risks associated with the mineral exploration and development industry described in our Annual Information Form, financial statements and MD&A for the fiscal period ended December 31, 2014 filed with the Canadian Securities Administrators and available at www.sedar.com.

Although we have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking 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. We are under no obligation to update or alter any forward-looking statements except as required under applicable securities laws. This news release has been authorized by the undersigned on behalf of Sabina Gold & Silver Corp.

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