

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jan 20, 2016) - Sabina Gold & Silver Corp. (TSX:SBB) ("Sabina" or the "Company") is pleased to announce the 2016 budget for its 100%-owned Back River gold project ("Back River" or the "Project") in Nunavut, Canada.

Budget and Work Plans

The budget for 2016 is variable and projected to range between a base budget of \$7 million with additional discretionary spending of up to \$4 million which will be fully funded from the existing treasury. The base budget focuses on the essential activities to progress the Back River Project through completion of the environmental assessment phase as well as utilizing ~\$2.2 million of flow-through raised in 2015 to test high value near surface targets with spring and summer drilling and field programs.

The full 2016 budget and work plan includes the above mentioned activities and as well as the preparation and submission of the water license application and completion of related engineering work later in the year.

The 2016 budget was developed to be flexible to preserve the corporate treasury while advancing the Project in the prevailing market conditions. The cash position for the Company at December 31, 2015 was ~\$18.4 million.

Bruce McLeod, President and CEO commented, "Our work in 2016 will enable us to deliver significant catalysts for the Back River project. With a strong Canadian dollar gold price (C\$1,580/oz versus C\$1,380/oz used in the Feasibility Study) and weak oil price, we have been presented with a unique opportunity for optimization of our Project. Efforts towards value engineering to enhance the economics and/or reduce risk on the project are ongoing. We are also entering into the final stage of a comprehensive environmental assessment and are anticipating a project recommendation in the second half of 2016 which will be a major milestone in de-risking the project." He said. "In addition, We are excited about the many high value exploration targets which have the ability to further enhance the Goose project and work in 2016 is designed to quantify some of these targets."

In November, 2015, the Company submitted its Final Environmental Impact Statement ("FEIS") on Back River to the Nunavut Impact Review Board ("NIRB"). That document has been deemed conformant with the NIRB Guidelines and the NIRB has set final hearings on the project in Cambridge Bay for April 25th - 30th, 2016. A project recommendation from NIRB to the Minister of Indigenous and Northern Affairs Canada could be received early in the second half of 2016. This would be a significant milestone in the permitting/environmental assessment process which would enable transition into the licensing phase.

Exploration 2016

The 2016 exploration program at Back River is planned to commence in mid-March with an initial 2500m drill program that will establish the subsurface size, continuity and shape of near-surface mineralization at the newly discovered Kogoyok prospect (see Sabina news release October 13, 2015).

Additional drill testing is planned at the Hivogani and Convergence target areas, two high-priority drill targets with the potential to deliver new discoveries of near-surface gold mineralization. The winter drilling program will be followed by focused summer fieldwork comprising geological mapping, till sampling, and prospecting programs during the months of June and August, to advance numerous target areas at the Goose, George, and Boulder properties, while further identifying new exploration opportunities.

The Kogoyok prospect was discovered and partially characterized through 2015 field work. New high‐grade mineralization discoveries from outcrop grab samples (up to 33.86g/t Au grab sample) occur near the convergence of an untested segment of iron formation stratigraphy with gold-bearing felsic intrusions. The Kogoyok target zone is up to 600m in length, and has partially coincident HLEM and IP anomalies and positive till sample results. The identification of this new shallow mineral occurrence at the Goose Property speaks to the tremendous gold endowment of the project area and Sabina's continued ability to add value through successful exploration advancements focused on future resource additions and potential mine life addition.

At Hivogani, the target is clastic sediment-hosted mineralization outside the conventional Back River iron formation host, where a single 140m 2015 drill hole tested an IP chargeability anomaly coincident with outcropping mineralized felsic dyke, returning intervals of anomalous gold over its entire length, including 0.82g/t gold over 13.75m (see Sabina news release June 29, 2015). Additional fieldwork completed in 2015 identified new surface gold showings nearby that are partially coincident with IP chargeability anomalies and quartz veining and sulphide mineralization in outcrop. The area of interest at Hivogani, as defined by current surface work, extends over a broad zone of approximately 2km by 500m.

The Convergence target is conceptually similar to Kogoyok, in that it is characterized by the projected intersection of folded and mineralized iron formation stratigraphy with a prospective mineralizing corridor marked by a felsic dyke. A short ground geophysics program followed by drilling will partially test a 600m strike length of this prospective horizon.

Project Development

In 2016, work will continue to focus on optimizing the Project to take advantage of the current industry conditions, namely: strong gold price in Canadian dollars, low energy prices (which represented 23% of operating cost in our feasibility), opportunities to substitute Canadian suppliers to take advantage of the impact of a weak Canadian dollar on CAPEX; and the accessibility of used equipment. Additionally, a comprehensive project execution plan will be developed that lays out a modular approach to detailed design, procurement and construction of the Project, which can commence post permitting.

Qualified Persons

The Qualified Person as defined by NI 43-101 as pertains to the Back River Project, is James Maxwell P. Geo, Exploration Manager - Back River, for the Company.

All grab and drill core samples selected within the exploration programs were sent to TSL Laboratories facility in Saskatoon, Saskatchewan for gold analysis by 50 gram fire assay with finish by a combination of atomic absorption and gravimetric methods. Quality control and quality assurance is monitored where assays have been verified using a series of company inserted certified reference standards. Rock grab samples are selective in nature they may not represent the overall grade and extent of mineralization for the area. TSL quality system conforms to requirements of ISO/IEC Standard 17025 guidelines and meets assay requirements outlined for NI 43-101.

Sabina Gold & Silver Corp.

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 recently released a Feasibility Study on its 100% owned Back River Gold Project which presents a project that has been designed on a fit-for purpose basis, with the potential to produce ~200,000 ounces a year for ~11 years with a rapid payback of 2.9 years. At a US\$1,150 gold price and a 0.80 exchange rate, the Study delivers a potential after tax internal rate of return of approximately 24.2% with an initial CAPEX of \$415 million.

In addition to Back River, Sabina also owns a significant silver royalty on Glencore's Hackett River Project. The silver royalty on Hackett River's silver production is comprised of 22.5% of the first 190 million ounces produced and 12.5% of all silver produced thereafter.

Forward-Looking Information

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 exploration programs and various studies, permitting and environmental assessment outcomes, exploration results, 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 effects of general economic conditions, commodity prices, changing foreign exchange rates and 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.

Bruce McLeod, President & CEO

To view the map accompanying this press release, click on the following link: <http://media3.marketwire.com/docs/Sabina120.jpg>

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