

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jul 21, 2016) - Sabina Gold & Silver Corp. (TSX:SBB) ("Sabina" or the "Company") provided an update today on the permitting process for the Back River Gold Project ("Back River" or the "Project") in Nunavut, Canada.

Background

On June 16, 2016, Sabina announced that the Nunavut Impact Review Board ("NIRB" or the "Board") in a Report, recommended to the Minister of Indigenous and Northern Affairs Canada (the "Minister") that the Back River Project not proceed to the next phase of permitting at this time.

The Report follows an environmental assessment process during which the NIRB coordinated and reviewed Sabina's draft and final Environmental Impact Statements, including numerous technical studies and reports and during which time, Sabina had hundreds of engagements with all northern stakeholders on the project.

Sabina's engagement and consultation has been extensive and has included community members, hunters and trappers organizations, hamlets councils, advisory committees, the Kitikmeot Inuit Association ("KIA"), territorial governments and federal regulatory agencies. These engagements enabled Sabina to incorporate socio-economic information and traditional knowledge with scientific data to determine the best approaches to the Project.

The process culminated in a six-day public hearing in Cambridge Bay, Nunavut, which was attended by representatives of all interested parties. At the end of the hearings, there was strong Inuit support expressed for the Project. Additionally, all agency subject matter experts were satisfied with Sabina's plans and proposals for the project and recommended to the NIRB that the project move to the next phase of permitting.

"As we worked through the NIRB process we came to know and respect the people and the environment of the Kitikmeot Region and Nunavut. We have also developed a positive working relationship with the KIA, who we have found to be transparent and business minded while also protecting the best interests of their constituents. Throughout this process we have been focused on responsible mining in the Kitikmeot and appreciate all the input that we have received to assist us in our planning," said Bruce McLeod, President & CEO. "We believed we understood the issues we had to address in the final hearings and had come to resolution on these issues. Unfortunately, Sabina believes that the NIRB recommendation does not reflect this support nor the evidence presented during this process."

The NIRB Report is currently with the Minister to make a decision on how to proceed. The Minister has three main options available to her regarding the NIRB recommendation:

- | | |
|--|--|
| Reject NIRB recommendation | NIRB would issue a Project Certificate with terms and conditions. The Project would proceed. |
| Refer the report back to NIRB for further review | Sabina would further engage with NIRB and intervening agencies and submit additional information of concern. |
| Accept NIRB recommendation | Sabina would submit an updated EIS to NIRB, following which new technical and permitting work would be required. |

Response to the NIRB Report by Sabina

Sabina has submitted a response to the Minister. The link to this document can be found here <http://www.sabinagoldsilver.com/assets/docs/media/Sabina-Reponse-to-the-Minister-Re-NIRB-Rec-July-20-2016.pdf>. We believe that there are strong grounds for the Minister to reject the NIRB recommendation and refer it back to NIRB to consider terms and conditions for a Project Certificate. The link to the detailed addendum to the Minister can be found here <http://www.sabinagoldsilver.com/assets/docs/media/Sabina-Detailed-Response-to-NIRB-Rec-July-20-2016.pdf>.

In our view, the NIRB Report does not fully consider support of the Project by the local communities and Inuit representatives in the region. Following the NIRB Report, Sabina held numerous meetings within the communities and found that there continues to be broad support for the Project as evidenced by letters that have been sent to Minister (and posted on the NIRB website) recommending that the Project proceed.

The Report does not fully recognize the socio-economic benefits the Project stands to offer. Back River will generate significant employment and training opportunities, business opportunities in contracting, consulting and services along with mining royalties and taxes to the region, the territory and the federal government. Sabina and the KIA are working to advance agreements for land tenure rights and Inuit benefits, which would address these initiatives and commitments.

We believe that the NIRB Report makes errors by reaching conclusions that are not consistent with the evidence submitted by experts, responsible government agencies, and the KIA on the monitoring and mitigation measures. Relative to other mining and development projects in Nunavut and NWT, Sabina has committed to some of the most protective measures for caribou and the environment in our monitoring and mitigation plans. The appropriate regulatory agencies have completed detailed

reviews of these monitoring and mitigation plans and have indicated that they were satisfied that the Project could proceed to the permitting phase on that basis.

We have asked the Minister to reject the NIRB recommendation. Whatever the Minister's decision may be, we are confident that we can address the concerns raised in the Report.

Sabina Gold & Silver Corp

Sabina Gold & Silver Corp. is a well-financed, 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.

The Company has approximately \$44 million in its treasury, and is currently amending the budget and plans for 2016.

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 our ability to address and resolve the concerns of the NIRB through further consultation and collaboration with stakeholders. 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 risks, uncertainties, assumptions and factors include, among others, the actions by government and regulatory authorities, such as NIRB. 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; 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, 2015 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.

Contact

Sabina Gold & Silver Corp.
Nicole Hoeller
Vice-President, Communications
1 888 648-4218
nhoeller@sabinagoldsilver.com
Sabina Gold & Silver Corp.
Bruce McLeod
President & CEO
604 998-4175
604 998-1051
<http://www.sabinagoldsilver.com>