

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Aug 10, 2016) - Sabina Gold & Silver Corp. ("Sabina") or (the "Company") (TSX:SBB) reported today the financial results for the second quarter of 2016. All figures in C\$ unless otherwise specified.

"Sabina ended the quarter with a strong balance sheet of approximately \$43 Million in cash and cash equivalents," said Bruce McLeod, Sabina's President and CEO. "Since receiving the recommendation from the Nunavut Impact Review Board ("NIRB") in mid-June we have worked diligently to prepare our detailed response to the NIRB report. We are also continuing to solicit input from community and Inuit representatives along with the territorial governments and federal agencies involved. While we wait for the Minister's decision, we are focused on reducing costs, preserving our cash balance and being prepared for any of the potential outcomes."

On January 27, 2016, the Liberal Government announced five interim principles that will be applied by the Government of Canada to guide environmental assessment decision making:

1. No project proponent will be asked to return to the starting line - project reviews will continue within the current legislative framework and in accordance with treaty provisions, under the auspices of relevant responsible authorities and Northern regulatory boards;
2. Decisions will be based on science, traditional knowledge of Indigenous peoples and other relevant evidence;
3. The views of the public and affected communities will be sought and considered;
4. Indigenous peoples will be meaningfully consulted, and where appropriate, impacts on their rights and interests will be accommodated; and
5. Direct and upstream greenhouse gas emissions linked to the projects under review will be assessed.

"Sabina believes the Back River Project proposal satisfies the applicable principles above and that this is demonstrated by the evidence presented through the process, our continued community engagement and many letters of support from various stakeholders. Sabina's proposal was based on science, traditional knowledge and other relevant evidence as well as meaningful consultation with Inuit, other indigenous groups and the affected communities. We have requested that the Minister return the report to the NIRB to provide terms and conditions for a project certificate. In the alternative, we have requested the Minister return the report to the NIRB for further review."

Q2 Highlights

- The Company had cash and cash equivalents and short-term investments of \$43.0 million at June 30, 2016.
- On May 20, 2016, the Company completed a bought deal financing of 19,790,750 common shares at \$1.63 per share (including a portion of the overallotment) for total gross proceeds of \$32.3 million.
- On June 15, 2016, the Company received the report of the Nunavut Impact Review Board regarding its recommendation to the Minister of Indigenous and Northern Affairs Canada ("INAC") that the Back River Project not proceed at this time. The report is now with the Minister who can accept or reject the recommendation or send the project back to the NIRB for further review.
- Subsequent to the quarter, the Company submitted a response to the NIRB report to the Minister detailing what the Company believes are strong grounds for the Minister to reject the NIRB recommendation on the basis that the report does not fully consider the support of the Project by the local communities and Inuit representatives in the region or the evidence presented on the Project.
- On June 8, 2016, the Company held an Annual General and Special Meeting of the Shareholders at which all eight director nominees were elected and the Company's proposed Share Compensation Plan was approved.
- For the three months ended June 30, 2016, the Company reported net income of \$0.2 million or \$0.00 per share.

Financial Results

For the quarter ended June 30, 2016, the Company reported net income of \$0.2 million, favourable by \$2.7 million compared to Q2, 2016. The difference quarter over quarter was largely the result of write-downs that were recognized in Q2, 2015. Additionally, in Q2, 2016, the Company realized a gain of \$0.7 million on the sale of a portion of its equity investment in Pure Gold.

For the six-month period ended June 30, 2016, the Company reported a net loss of \$0.4 million, favourable by \$3.6 million compared to the same period of 2015. The difference for the year was as noted above and lower operating expenses in 2016.

Operating expenses for the six-month period ending June 30, 2016 were \$1.7 million compared to \$3.0 million in the same period in 2015, favourable by \$1.3 million.

The Company had cash and cash equivalents and short-term investments of \$43.0 million at June 30, 2016 compared to cash and cash equivalents of \$18.4 million at December 31, 2015.

We expect to end the year with a cash balance of approximately \$38M.

For the full June 30, 2016 interim financial statements and Management's Discussion and Analysis, please see the Company website at www.sabinagoldsilver.com or retrieve them from www.sedar.com.

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.

All news releases and further information can be found on the Company's website at www.sabinagoldsilver.com or on SEDAR at www.sedar.com. All technical reports have been filed on www.sedar.com.

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