

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Dec 29, 2016) - Sabina Gold & Silver Corp. (TSX:SBB), ("Sabina" or the "Company") provides an update on the timing on a decision by the Minister of Indigenous and Northern Affairs Canada ("INAC").

On June 15, 2016, the Nunavut Impact Review Board ("NIRB") recommended to the federal Minister of INAC that the Back River Project not proceed to the next phase of permitting at this time. INAC has since been reviewing the NIRB Report and the Minister has three options:

1. Reject the NIRB Report/recommendation;
2. Accept the NIRB Report/recommendation; or
3. Send the project back to NIRB for reconsideration.

The federal government had originally suggested that its decision would likely be made before the end of Q4, 2016, however, they continue to consider the NIRB recommendation carefully.

Since the NIRB recommendation Sabina has continued to work with the Kitikmeot Inuit Association ("KIA") and various responsible agencies to define additional measures to address the NIRB uncertainties stated in the report. This work includes a two-day workshop on wildlife management and mitigation held in Yellowknife in October and multiple visits to the Kitikmeot communities resulting in an additional 25 meetings with the KIA, hamlet councils, hunters and trappers' organizations, advisory groups and the public since the last Company update.

Sabina continues to receive broad based Inuit support for the Project both at the final hearings in April and since the NIRB report in June. Letters written to the Minister on behalf of Sabina and the Project have been received from the KIA (the land owner) hamlet councils, hunters and trappers' organizations, community representatives, as well as the Government of Nunavut. Additionally, the Company has also been working with the KIA to progress the Inuit Impact and Benefit Agreement required for the Project.

"We had hoped to receive a decision from INAC before the end of the year," said Bruce McLeod, President & CEO "We have been working diligently with all appropriate parties in the interim towards this end. However, despite these efforts it is likely that we will not receive word from the Minister's office until early in 2017. Although this is disappointing to our shareholders, we appreciate INAC's careful consideration of the NIRB Report. We have continued to work with parties to bolster our plans and remain confident that there are no issues on the Project that cannot be addressed. We also appreciate the strong support we have received from Kitikmeot stakeholders and responsible parties: support that I believe is unprecedented for a mining project in Nunavut."

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 C\$41.5 million in its treasury (September 30, 2016) and plans to end the year with approximately C\$38 million.

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 test programs and various studies, permitting and environmental assessment outcomes, 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, 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. This news release has been authorized by the undersigned on behalf of Sabina Gold & Silver Corp.

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