-Drilling for high impact targets at Goose Property planned-

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SBB – TSX

VANCOUVER, Feb. 14, 2017 /CNW/ - Sabina Gold & Silver Corp (the "Company") (SBB – TSX) has announced today that it has entered into an agreement with a syndicate of underwriters led by, Canaccord Genuity and including, Paradigm Capital Inc., Cormark Securities Inc., Haywood Securities Inc. and Echelon Wealth Partners Inc. (the "Underwriters") under which the Underwriters have agreed to place, on a bought deal basis, 3,150,000 flow-through common shares (the "Flow-Through Common Shares") at a price of $1.75 to raise gross proceeds of approximately $5,512,500 (the "Offering"). In addition, the Company will grant the Underwriters an over-allotment option, at the offering price, to purchase up to an additional 290,000 Flow-Through Common Shares (the "Over-Allotment Shares") exercisable at least 48 hours prior to the closing date. The gross proceeds from the sale of the Flow-Through Common Shares will be used to explore and advance the Company's Back River Gold Project ("Back River" or the "Project").

"While the Company has a well provisioned treasury that enables us to advance the Project through permitting and engineering studies, this modest flow through financing enables us to drill test some high value targets with the potential to demonstrate additional mine life at the proposed Goose Project footprint as outlined our news release dated February 7, 2017." said Bruce McLeod, President & CEO. "While Back River has reached the critical mass of ounces to push the project towards production, we believe that there remains considerable upside both in new discovery and resource extension that could ultimately enhance project economics."

This Financing is scheduled to close on or about February 28, 2017 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the Toronto Stock Exchange. The total gross proceeds from the Financing must be used to incur Canadian exploration expenditures as defined by the Income Tax Act (Canada) by December 31, 2018.

A 5% commission will be paid to the Underwriters in relation to the Financing.

2017 Exploration Targets

Key objectives for the 2017 program are focused on drill testing for new discoveries and demonstrating high value potential mine life additions at the Goose property through extensional and step-out drilling at what could be high impact targets at Umwelt, Llama, Echo, GNS and Kogoyok. This drilling, totaling approximately 6000 meters, is planned to be completed in two separate five-week campaigns during late spring and summer of this year.

All of the targets have been assessed for their optionality to enhance project economics by adding or demonstrating additional mine life in the footprint of the proposed Goose Project.

Umwelt –Vault

The Umwelt deposit hosts the only planned underground mine at the Goose Project. Deposit continuity at Umwelt has been established to over 850 metres vertical depth. The Vault target sits partially along, but outside of, the eastern margin of the planned Umwelt development area at approximately 600 meters depth and is marked along its eastern edge by exceptional high-grade intercepts from drilling completed in 2011 and 2012.

The Vault has been targeted as an opportunity to extend the Umwelt deposit underground. Success in this program has the potential to extend the limits of the mineralized zone in the target area and demonstrate opportunities for extended mine life at the deposit. Further drilling on the Vault would be driven by success.

Llama Extension

Both the Llama and the Umwelt deposits are hosted in consistently south-plunging iron formation stratigraphy. The continuity of the Llama underground resource (which is not included in the current development plan) has been established to approximately 450 metres vertical depth, but remains open with significant upside extension potential. The Llama Extension target drilling will consist of a significant down plunge step-out test of the projected Llama stratigraphy at approximately 700 metres vertical depth.

Echo

The Echo deposit located approximately 2.5 km west of the Goose deposit remains a significant resource growth option as well as an additional discovery opportunity for the Goose property. The area immediately surrounding the deposit resources (which are not included in the current development plan) have both extensional and brownfields target opportunities with increasingly favourable projections of thickened iron formation stratigraphy proximal to interpreted fold closures. Successful drill testing in multiple areas down-plunge and potentially inboard of the current deposit could support rapid resource growth and value within the Echo resource.

GNS (formerly Goose Neck South)

The GNS target has been interpreted as a potential Echo analogue: moderate size, relatively shallow gold mineralization, with favourable mining geometry. Drilling has been planned at the GNS target to assess the extent of the highest grade portion of the zone, down-plunge from the best 2011 intercepts. Success in this program could allow consideration of resource development at GNS.

Kogoyok East

Kogoyok East is part of a largely undrilled iron formation trend that extends for 2 km westward from the Echo deposit. Results from field work and drilling completed in 2015 and 2016 demonstrate the favourable exploration potential with the presence of folded iron formation stratigraphy, felsic dykes, and gold endowment. Initial drilling will target shallow, projected zones of anomalous gold mineralization at significant step-outs along this trend.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. The securities have not been registered under the United States Securities Act of 1933, as amended and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

Qualified Person

The Company's Qualified Person (as defined by National Instrument 43-101) in respect of the Back River Project is James Maxwell, P.Geo, Exploration Manager – Back River, for the Company, and he has approved the scientific and technical disclosure in this news release.

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 (see "Technical Report for the Initial Project Feasibility Study on the Back River Gold Property, Nunavut, Canada" dated October 28, 2015). At a US$1,150 gold price and a 0.80 (US$:C$) 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 had approximately C$40 million in cash and equivalents at December 31, 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 the extent, results and timing of and various studies relating to exploration and project development. 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.

Bruce McLeod, President & CEO
Suite 375 – Two Bentall Centre
555 Burrard Street
Vancouver, BC V7X 1M7
Tel 604 998-4175   Fax 604 998-1051
http://www.sabinagoldsilver.com

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.

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Contact
Nicole Hoeller, Vice-President, Communications: 1 888 648-4218, nhoeller@sabinagoldsilver.com