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Sabina Gold & Silver
Provides Project Development Update on Back River Gold Project
Significant de-risking activities completed in 2018

Vancouver, BC – Sabina Gold & Silver Corp (SBB.T), (“Sabina” or the “Company”) is pleased to provide a project update for the Company’s 100% owned Back River Project (“Back River” or the “Project”) in Nunavut, Canada.

In support of the path to production, Sabina has been focused on a series of value and detailed engineering programs on the Back River Project with the objectives of investigating opportunities, setting key design criteria, improving the accuracy of the engineered and design elements, updating the project execution strategy, improving the accuracy of the capital cost estimate, and improving the overall execution schedule.

One of the changes that has resulted is that the Company intends to enter into a fixed price contract for design and construction of the Processing Plant and negotiation of the terms of the EPC contract including process and schedule guarantees are underway. Sabina plans to manage the balance of the Project rather than enter into an engineering, procurement and construction management (an “EPCM”) contract with a third party, as contemplated in the Feasibility Study. This strategy enables greater certainty over costs, schedule and design quality.

In 2018, the Company also completed significant pre-development activities at the site focused on advancing and de-risking future development, including:

- Completion and commissioning of the marine laydown area (“Port”);
- Completion of two cargo sealifts;
- Ongoing geotechnical drilling in key infrastructure sites;
- Detailed surveying of the winter ice road (WIR) route for better refinement;
- Procurement of construction equipment, bulk fuel storage and other infrastructure
- Commencement of earthworks at Goose site; including quarry expansion, heavy equipment upgrades and initial road and bridge construction.

“2018 has seen significant de-risking work on the Back River Project both in design and construction,” said

Bruce McLeod, President & CEO, “While we intend to minimize risk on the processing plant by going with a fixed price EPC contract, self-management is a key strategy to developing this Project, which we successfully demonstrated with the construction of our Port facility on time and on budget. We believe in our approach in tackling the more challenging components of the Project, such as logistics, prior to a production decision, as these activities continue to add value to the Project and the Company. Prudent capital management is critical to the success of the Project. We will remain disciplined in our approach to financing by continuing to focus on activities that add value and de-risk the project.”

Key Project Advancements

Project Execution

The Company intends to enter into a fixed price contract for design and construction of the Processing Plant. Negotiation of the terms of this engineering, procurement and construction contract is underway (the “EPC”), including process and schedule guarantees. Interim Procurement and Interim Services agreements are placed with the CIMIC Group’s mineral processing company, Sedgman Canada Limited, to define an EPC contract scope, terms, and conditions which will yield a fixed-price contract with greater certainty of execution outcomes.

Conversely, bulk earthworks are best managed by the Sabina project development team using unit-rates contracts, where scope and progress are easily quantified. In the case of mine development, these works will be performed using Sabina employees supported with specialist contracts; for example, a drill and blast contract based on unit rates with productivity targets. In 2018, the Port on Bathurst Inlet was successfully constructed using both fixed-price contracts and unit rates contracts managed directly by Sabina’s project development team. Sabina is responsible for developing and otherwise managing the overall execution schedule, cost estimations, engineering, procurement, construction management and construction.

Capex Estimate

The Feasibility Study published in October 2015 (3KFS) reported CAPEX of \$414.9M.

Since 2015, several changes were made to reduce overall project risk and update the earlier feasibility study assumptions to the current year. Based on additional detailed engineering completed since the 2015 Feasibility Study, the revised capital cost estimate (“CAPEX”) has been updated to reflect:

- a fixed-price estimate of the plant under an EPC-delivery strategy;
- additional engineering;
- a more-developed Project execution & contracting plan;
- a better-defined whole ore leach process;
- escalation from 2015 dollars (inflation); and
- improved cost estimates of fuel, earthworks, mobile equipment, cargo transport and Owner’s costs.

These changes have increased the CAPEX estimate from the feasibility study estimate by approximately 15% to a revised estimate of C\$475 million. Of this, approximately C\$55 million was spent in 2018 on Port

construction, pre-development earthworks, the purchase of a significant amount of heavy-duty construction equipment, spares and supplies, and searift of this equipment and materials to the Port this past August and September, leaving a remaining CAPEX estimate of \$420 million.

Processing

The metallurgical sampling and test programs undertaken since the Feasibility Study through 2018 have produced all the inputs required to design and specify the process for detailed engineering. Whole ore leach (“WOL”) was contemplated in the Feasibility Study, however the process plant design was advanced significantly based on flotation. Based on the metallurgical testing, a cost and risk benefit trade-off study was completed which supported the selection of WOL over flotation. The plant has been re-engineered using the applicable optimizations from flotation but based on WOL. Engineering has frozen the process flowsheet and technical equipment data sheets that are being used for procurement.

Infrastructure, Logistics and Procurement

The Company commenced detailed engineering in 2018 on select project scopes to decide key design basis and to support planned procurement and construction objectives. One key deliverable was the development and construction of the Port site for operations and to receive the first cargo searift in the summer of 2018. (See News Release Sept 4, 2018). The procurement scope for both the Port and the Goose sites included bulk fuel tanks, construction gensets, large mobile earthworks and construction equipment, vehicles, HDPE liners and geotextile, ammonium nitrate, fuel, drills (for construction and mining), and spare parts. Most of the procured items will eventually be deployed to the Goose site for construction and operations but also were used for the construction of the Port and interim operations thereof.

Qualified Person

Jeff Eng, P.Eng, Director of Engineering for the Company, is the Qualified Person as defined in NI 43-101 pertaining to the development-related matters disclosed in this news releases. Mr. Eng has approved the written disclosure set out in this news release.

Sabina Gold & Silver Corp.

Sabina Gold & Silver Corp. is well-financed with approximately C\$39.4 million in cash and equivalents and is an emerging precious metals company with district scale, advanced, high grade gold assets in one of the world’s newest, politically stable mining jurisdictions: Nunavut, Canada.

Sabina 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).

The Project received its final Project Certificate on December 19, 2017 and its Type A Water License on November 14, 2018 and is now in receipt of all major authorizations for construction and operations.

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.

For further information please contact:

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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 construction and development activities, seafast and overland transportation and permitting and licensing outcomes. 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 licenses 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, 2017 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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