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**SABINA GOLD & SILVER REPORTS KITIKMEOT INUIT ASSOCIATION AND  
GOVERNMENT OF NUNAVUT ASK FEDERAL MINISTER TO SEND BACK RIVER  
GOLD PROJECT BACK TO NIRB FOR FURTHER CONSIDERATION**

Sabina Gold & Silver Corp. (SBB.T) Vancouver, BC. (“Sabina” or the “Company”) provides a permitting update on its Back River Gold Project (“Back River” or the “Project”) in Nunavut, Canada.

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” and “INAC”) that the Back River Project not proceed to the next phase of permitting at this time. In response, Sabina submitted an extensive response to the NIRB Report to the Minister and requested that the Minister either reject the Report or send it back to NIRB for further review.

In response to July 9 and July 22, 2016 letters from the Government of Canada (“GoC”) requesting feedback on the NIRB Report, the Kitikemout Inuit Association (“KIA”), which is the designated Inuit organization responsible for the lands and the people of the Kitikmeot Region, and the Government of Nunavut (“GN”) have both requested that the Minister return the Project to NIRB for further review under Section 12.5.7 (e) of the Nunavut Land Claims Agreement, where it states:

*“where the report is deficient with respect to ecosystemic and socio-economic issues, refer the report back to NIRB for further review or public hearings; upon such further review or hearings, NIRB shall submit a further report to the Minister which shall be accepted or rejected in accordance with subsections (a), (b), (c) or (d).”*

Sabina has also continued to extensively engage and consult with community members, hunters and trappers organizations, hamlets councils, advisory committees, the KIA, Nunavut Tunngavik Incorporated, territorial governments and federal regulatory agencies. These efforts have resulted in continued broad support for Back River as evidenced by the many letters to the Minister in favour of the Project and in the KIA letter to the Minister, which confirms “Inuit

support for the Project is firm across the Kitikmeot Region, as indicated by the results of Sabina's recent community consultation tour." To see these letters click here: <ftp://ftp.nirb.ca/02-REVIEWS/ACTIVE%20REVIEWS/12MN036-SABINA-BACK%20RIVER/02-REVIEW/11-FINAL%20HEARING%20DECISION/>

In the August 24, 2016 KIA response letter to the Minister, Stanley Anablak, KIA President also states, "KIA agrees that Sabina has proposed to conduct careful and comprehensive caribou monitoring and mitigation programs based in a Wildlife Mitigation and Monitoring Plan (WMMP) and a Wildlife Effects Monitoring Plan (WEMP). While KIA is satisfied with these Plans, it should be noted that they were only finalized during the hearing and that these final details were the subject of a joint submission by Sabina, KIA and the Government of Nunavut on the final day of the hearing. Unfortunately, that meant the [NIRB] Board did not have the benefit of a full airing of these revised plans."

And further, "As a result, KIA recommends that the Report be returned to the Board under paragraph 12.5.7.(e) with your [Minister of INAC] instructions to focus any further investigations on matters related to the Project's impacts on caribou and the best approaches to mitigation of such impacts."

In the August 22, 2016 GN response letter to the GoC they write, "In the GN's opinion, it is possible to develop terms and conditions to address the concerns expressed by the NIRB of the efficacy and adaptability of mitigation measure[s] for terrestrial wildlife, including caribou. Accordingly, referring the Final Hearing Report back to the NIRB for further review and public hearings may be the most responsible and expeditious way forward, and the one that provides the best opportunity to advance responsible development to provide economic opportunities for Nunavut's communities while respecting Inuit societal values and protecting the integrity of our land, water and wildlife."

While not a regulator in Nunavut, the Government of NWT also responded to the GoC in support of the Project. In their August 22, 2016 letter they state, "The GNWT's conclusions and recommendations regarding the Back River Project remain unchanged from those provided in the Final Written Submission and the public hearings". At the hearings, the GNWT's position was that they were encouraged by Sabina's additional commitments made during the final hearings in regards to developing its wildlife programs and that there is the potential for the Back River Project to provide positive economic development opportunities for Nunavut and NWT residents.

"We appreciate all of the support we have received from Kitikmeot Inuit," Said Bruce McLeod, President & CEO "Of equal importance are letters submitted to the Minister from the KIA and GN. These groups represent the rights and desires of the Inuit of the Kitikmeot Region, who continue to express that jobs and economic benefits are critical to their constituents and that responsible mining is an opportunity by which these are achievable. The letters also demonstrate the collaborative approach taken by Sabina and these stakeholders to address concerns about the Project and that these concerns, particularly about caribou, are resolvable."

In its July 22, 2016 letter, the GoC requested input from additional stakeholders by September 6, 2016. At that point, the Minister will have all the information necessary with which she can review the file. In the meantime, Sabina is continuing to work towards a re-engagement process to be ready for any decision on the Project by the Minister and is working with the KIA to progress final land tenure and supporting agreements.

### **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 \$43 million in its treasury, expects to end the year with approximately \$38 million.

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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 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](http://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.

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