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Sabina Gold & Silver Announces 2017 Budget and Activities

Vancouver, BC – Sabina Gold & Silver Corp (SBB.T), (“Sabina” or the “Company”) is pleased to announce a base budget of approximately \$8.5 million for 2017. The budget will be funded from treasury of approximately \$40 million as at December 31, 2016.

The 2017 base budget delivers:

- completion of the environmental assessment process;
- advancement of IIBA negotiations with the Kitikmeot Inuit Association (“KIA”);
- completion of basic engineering and a project execution plan; and
- completion of a mapping, rock and till sampling and geophysical exploration field program.

“The 2017 base budget focuses on maintaining optionality to advance the Back River Project towards production while preserving as much of our current treasury as possible while we continue through the environmental assessment process” said Bruce McLeod, President & CEO. “In addition, we have developed discretionary activities that are based on certain milestones achieved during the process. These expenditures will be assessed, confirmed or revised, at certain decision dates. All activities and expenditures focus on targeting first gold production at Back River in Q1, 2021.”

In 2017 discretionary activities could include completion of the water license review process to final hearings, commencement of detailed engineering and commencement of project financing. Depending on the timing and success of advancing the permitting process, total expenditures could range up to a total of ~\$25 million for the year.

Exploration

Base budget exploration work in 2017 focuses on continuing to define future high-value exploration targets and includes a modest mapping and till sampling program to be completed at the Goose, George and Boulder properties. At Goose, a number of gold anomalies along the iron formation trend northwest of Umwelt merit follow-up with infill sampling to determine

their potential for future drilling. At Boulder, approximately 16 km northwest of Llama, detailed mapping and additional prospecting will be undertaken to constrain geometry and mineralization controls to further refine targets to drill ready status. At George, follow up detailed mapping would define the extent and significance of a previously identified area adjacent to the existing LCP North deposit.

Additionally, several high-impact exploration targets have been prioritized for drilling. These targets are focused around the existing Goose deposits, all of which are open, with a view to impacting additional mine life from existing areas. One such high impact target is the Umwelt Vault target, where exceptionally high grade intercepts peripheral to indicated resources within planned underground infrastructure merit follow up. Other priority target areas include testing for extensions to the Llama and Echo deposits and new discovery areas in and around the Convergence trend and the Kogoyok-Echo trend. Drilling could potentially be undertaken later in the year for an additional budget of up to \$5m.

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 had approximately C\$40 million at December 31, 2016.

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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 and various studies relating to permitting and environmental assessment 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 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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