Sabina
GOLD & SILVER CORP.

Condensed Consolidated Interim Financial Statements

(unaudited)

Quarters Ended March 31, 2018 and 2017

SABINA GOLD & SILVER CORP.

Condensed Consolidated Interim Statements of Financial Position
(unaudited)
(Expressed in thousands of Canadian dollars)

	March 31, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	$ 63,726	$ 14,124
Short-term investments	22,227	18,227
Accounts receivable (note 4)	1,161	336
Inventory	3,475	1,640
Prepaid expenses and deposits	1,119	192
	91,708	34,519
Marketable securities (note 5)	1,199	1,119
Property and equipment (note 6)	12,019	4,951
Mineral properties (note 7)	313,384	306,824
Hackett silver royalty	34,754	34,754
Reclamation deposits	2,227	2,227
Total assets	$ 455,291	$ 384,394
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 10,839	$ 2,077
Flow-through share premium liability (note 10)	557	1,116
Current portion of capital lease obligation	51	51
	11,447	3,244
Capital lease obligation	123	134
Provision for site reclamation	2,238	2,238
Deferred income tax liability (note 12)	33,017	33,759
Total liabilities	46,825	39,375
Equity:		
Share capital (note 8)	459,578	396,377
Contributed surplus	27,910	25,054
Accumulated other comprehensive income	-	861
Deficit	(79,022)	(77,273)
Total equity	408,466	345,019
Total liabilities and equity	$ 455,291	$ 384,394

Nature of operations (note 1)
Commitments (note 6)
Subsequent events (notes 6 and 13)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Approved on behalf of the Board:

"Bruce McLeod" Director   "Tony Walsh" Director

SABINA GOLD & SILVER CORP.

Condensed Consolidated Interim Statements of Comprehensive Loss
(unaudited)
(Expressed in thousands of Canadian dollars, except per share amounts)

	Three months ended March 31,	
	2018	2017
Expenses:		
Administration and general	$ 137	$ 97
Depreciation	5	15
Insurance	24	25
Listing, transfer and shareholder	314	152
Professional services	377	65
Salaries and severance	469	347
Share-based payments (note 9(a))	1,877	1,064
Travel	38	36
	3,241	1,801
Loss from operating activities	(3,241)	(1,801)
Net finance income:		
Interest income	316	147
Amortization of flow-through premium (note 10)	559	31
	875	178
Loss before other items	(2,366)	(1,623)
Unrealized gain on change in fair value of marketable securities (note 5)	80	-
Gain on disposition of marketable securities (note 5)	-	88
	80	88
Loss before income taxes	(2,286)	(1,535)
Deferred income tax (expense) recovery	(324)	106
Loss for the period	(2,610)	(1,429)
Other comprehensive income (loss):		
Marketable securities, change in fair value, net of tax	-	229
Marketable securities, disposal transferred to profit and loss	-	(88)
Unrealized gain on marketable securities	-	141
Comprehensive loss	$ (2,610)	$ (1,288)
Loss per share, basic and diluted	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding	246,347,302	221,265,791

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

SABINA GOLD & SILVER CORP.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(unaudited)
(Expressed in thousands of Canadian dollars)

	Three months ended March 31, 2018	2017
Share capital:		
Balance, beginning of period	$ 396,377	$ 386,613
Shares issued, net of share issue costs	62,127	5,645
Fair value of options transferred to share capital	7	101
Flow-through premium transferred to deferred liability (note 10)	-	(926)
Deferred income tax effect of flow through shares and issuance costs	1,067	-
Balance, end of period	459,578	391,433
Contributed surplus:		
Balance, beginning of period	25,054	23,961
Fair value of share-based payments included in operating expenses (note 9(a))	1,877	1,189
Fair value of share-based payments capitalized to mineral properties (note 9(a))	986	521
Fair value of options transferred to share capital	(7)	(101)
Balance, end of period	27,910	25,570
Accumulated other comprehensive income:		
Balance, beginning of period	861	1,289
Reclassification on the adoption of IFRS 9, Financial Instruments (note 3(b))	(861)	-
Other comprehensive income	-	141
Balance, end of period	-	1,430
Deficit:		
Balance, beginning of period	(77,273)	(73,477)
Reclassification on the adoption of IFRS 9, Financial Instruments (note 3(b))	861	-
Loss for the period	(2,610)	(1,429)
Balance, end of period	(79,022)	(74,906)
Total equity	$ 408,466	$ 343,527

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

SABINA GOLD & SILVER CORP.

Condensed Consolidated Interim Statements of Cash Flows
(unaudited)
(Expressed in thousands of Canadian dollars)

	Three months ended March 31, 2018	2017
Cash provided by (used in) operating activities:		
Loss for the period	(2,610)	(1,429)
Adjustments for:		
Depreciation	5	15
Deferred income tax expense (recovery)	324	(106)
Interest income	(316)	(147)
Unrealized gain on change in fair value of marketable securities	(80)	-
Gain on disposition of marketable securities (note 5)	-	(88)
Amortization of flow-through premium liability	(559)	(31)
Share-based payments	1,877	1,064
Other	-	(17)
	(1,359)	(739)
Accounts receivable	(694)	(16)
Inventory	(1,835)	(22)
Prepaid expenses and deposits	(927)	(23)
Accounts payable and accrued liabilities	258	369
	(4,557)	(431)
Interest received	185	15
Net cash used in operating activities	(4,372)	(416)
Cash flows provided by (used in) investing activities:		
Expenditures on deferred exploration*	(2,480)	(2,036)
Expenditures on property and equipment*	(1,662)	-
Purchases of short-term investments	(4,000)	(1,800)
Proceeds on disposition of marketable securities	-	107
Net cash used in investing activities	(8,142)	(3,729)
Cash flows provided by (used in) financing activities:		
Issue of common shares for cash, net of share issue costs	62,127	5,645
Capital leases	(11)	(15)
Net cash provided by financing activities	62,116	5,630
Net increase in cash and cash equivalents	49,602	1,485
Cash and cash equivalents, beginning of period	14,124	8,161
Cash and cash equivalents, end of period	63,726	9,646

*Changes in accounts payable and accrued liabilities of $2.7 million (2017 – $0.2 million) related to deferred exploration costs and $5.8 million (2017 – nil) related to purchase of property and equipment are included in investing activities for the three months ended March 31, 2018.

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. Nature of operations

Sabina Gold & Silver Corp. (the “Company” or “Sabina”) was incorporated in June 1966 under the laws of the Province of British Columbia. On October 28, 2009 the Company changed its name from Sabina Silver Corporation to Sabina Gold & Silver Corp. The Company’s principal business activity is the exploration and development of mineral property interests. The Company’s principal assets are the Back River gold project (“Back River Project”) and its silver royalty on the Hackett River project, both of which are located in Nunavut, Canada. The Company also has exploration properties in Nunavut and in the vicinity of the Red Lake gold camp in Ontario.

The financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company is in the process of exploring and evaluating its mineral property interests and has not yet determined whether its mineral properties, other than the Back River property, are economically viable. The Company has completed a feasibility study for the Back River Project which demonstrates positive economics and has advanced the environmental assessment for the project. The Company has not yet determined if necessary financing for the construction of the Back River Project can be obtained on satisfactory terms. The underlying value and the recoverability of the amounts recorded as mineral properties and silver royalty are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral properties, and future profitable production or proceeds from the disposition of the mineral property interest. Management has forecast its cash requirements for the next year and believes that the Company has sufficient funds to continue operations for at least the next twelve months. This assessment is based on the Company's budget, its available cash and short-term investments, the proceeds from a financing that closed on January 19, 2018 (note 8) and that certain of the Company's expenditures are discretionary in nature, and which can be deferred as required without significant impact on the Company or its mineral properties.

2. Basis of preparation

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements (IAS 34, Interim Financial Statements) and do not contain all the information required for annual financial statements. These statements follow the same accounting policies and methods of application of the most recent annual audited financial statements. Accordingly, they should be read in conjunction with the most recent annual audited financial statements of the Company.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on May 7, 2018.

b) Basis of measurement and consolidation

These condensed consolidated interim financial statements include the financial results of Sabina and its wholly owned subsidiary, Sabina Back River Ltd. All significant intercompany balances and transactions are eliminated on consolidation.

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for financial instruments classified as fair value through profit or loss financial assets and share based compensation, which are measured at fair value, and provision for site reclamation, which is recorded at management’s best estimate of the present value of costs to be incurred in the future. Additionally, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company’s functional currency. All tabular financial information presented in Canadian dollars has been rounded to the nearest thousand.

d) Use of estimates and judgments

The preparation of these condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Significant judgement is applied in the determination of the Company's ability to continue as a going concern. Significant areas requiring the use of management estimates relate to the assessment of impairment of its mineral properties and the Hackett silver royalty, the provision for site reclamation, share-based payments (note 9(a)), and deferred income tax assets (note 13). Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3. Changes in accounting standards

a) Current change – IFRS 9, Financial Instruments

This standard replaces IAS 39, Financial Instruments: Recognition & Measurement. IFRS 9 details new requirements for classifying and measuring financial assets. The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new "expected credit loss model" for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting. The standard became effective for annual periods beginning on or after January 1, 2018, which is the date the Company adopted IFRS 9.

Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company’s accounting policy with respect to financial liabilities is substantially unchanged.

As a result of adopting this standard, the Company has changed its accounting policy for financial assets retrospectively, for assets that were recognized at the date of application. An assessment was made and the impact to the Company’s condensed consolidated interim financial statements was to reclassify changes in the fair value of its marketable securities through profit or loss as compared to the Company’s previous policy of recording such changes in fair value in other comprehensive income. This was the result of the Company classifying its marketable securities as fair value through profit or loss financial assets upon adoption of IFRS 9. The Company adopted IFRS 9 retrospectively without restatement of comparative amounts resulting in a reclassification of $0.9 million from accumulated other comprehensive income to deficit on January 1, 2018. Future changes in the fair value of these available-for-sale investments will be recorded directly in profit or loss. No other measurement differences of any significance have been noted in relation to the adoption of IFRS 9.

The following are new accounting policies for financial assets under IFRS 9. All other aspects of our accounting policies for financial instruments as disclosed in note 3(a)(ii) and 3(a)(iii) to the consolidated financial statements for the year ended December 31, 2017 are unaffected.

The Company classifies its financial assets in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (“FVTOCI”) or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument by-instrument basis) on the day of acquisition to designate them as at FVTOCI.

Financial assets at FVTPL
Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the income statement. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the income statement in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

(Tabular amounts expressed in thousands of Canadian dollars)

Financial assets at FVTOCI
Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost
Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the income statement. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

The Company completed an assessment of its financial instruments as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

	Original classification under IAS 39	New Classification under IFRS 9
Cash and cash equivalents	Loans and receivables – amortized cost	Amortized cost
Short-term investments	Loans and receivables – amortized cost	Amortized cost
Accounts receivable	Loans and receivables – amortized cost	Amortized cost
Marketable securities	Available for sale – fair value through other comprehensive income	FVTPL
Reclamation deposits	Loans and receivables – amortized cost	Amortized cost
Accounts payable and accrued liabilities	Other liabilities – amortized cost	Amortized cost

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized. Given the nature and balances of the Company's receivables the Company has no material loss allowance at adoption or as at March 31, 2018.

b) Future change – IFRS 16, Leases

In January 2016, the IASB published IFRS 16, Leases which will replace IAS 17, Leases. IFRS 16 eliminates the classification as an operating lease and requires lessees to recognize a right-of-use asset and a lease liability in the statement of financial position for all leases, with exemptions permitted for short-term leases and leases of low value assets. In addition, IFRS 16 changes the definition of a lease; sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and option periods; changes the accounting for sale and leaseback arrangements; and introduces new disclosure requirements. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019 with early application permitted in certain circumstances. The Company will assess the impact of this new standard for the Company's current corporate office lease which expires in May 2020 as well as any new leases entered into prior to adoption.

(Tabular amounts expressed in thousands of Canadian dollars)

4. Accounts receivable

	March 31, 2018	December 31, 2017
GST receivable	$ 841	$ 124
Interest receivable	258	127
Other receivables	62	85
	$ 1,161	$ 336

5. Marketable securities

At March 31, 2018 and December 31, 2017, the Company's marketable securities were comprised of common shares of Pure Gold Mining Inc. ("Pure Gold") which were recorded in the consolidated statement of financial position at their fair values, which have been determined by reference to their quoted closing bid price at the reporting date. At March 31, 2018 the Company had 1,998,000 common shares of Pure Gold with a fair value of $1.2 million. At December 31, 2017 the Company had 1,998,000 common shares of Pure Gold with a fair value of $1.1 million.

During the three months ended March 31, 2018, the Company sold nil common shares (2017 – 180,000 common shares) of Pure Gold for net proceeds of $nil (2017 – $0.1 million). On disposition of these common shares the Company recognized gains of $0.1 million during the three months ended March 31, 2017 and such amounts were transferred from accumulated other comprehensive income to profit and loss at the time of the disposition.

6. Property and equipment

Cost	Pre-development infrastructure and equipment	Exploration camp and equipment	Office and equipment	Total
Balance at January 1, 2018	$ -	$ 24,605	$ 227	$ 24,832
Additions	7,442	-	-	7,442
Balance at March 31, 2018	$ 7,442	$ 24,605	$ 227	$ 32,274
Accumulated depreciation				
Balance at January 1, 2018	$ -	$ (19,729)	$ (152)	$ (19,881)
Depreciation	-	(369)	(5)	(374)
Balance at March 31, 2018	$ -	$ (20,098)	$ (157)	$ (20,255)
Carrying value				
At January 1, 2018	$ -	$ 4,876	$ 75	$ 4,951
At March 31, 2018	$ 7,442	$ 4,507	$ 70	$ 12,019

Pre-development infrastructure and equipment includes mobile equipment, site infrastructure and fuel tanks for the marine laydown area as well as the freight costs to deliver this equipment to site. This equipment was not put into use during the period, hence no depreciation was recorded.

At March 31, 2018, the Company had purchase commitments for pre-development infrastructure and equipment of $26.7 million (December 31, 2017 – $nil) with a further $1.2 million committed subsequent to quarter end. Significant commitments include mobile equipment, drills, fuel tanks, diesel gensets, structures and pre-development earthworks for marine laydown site preparation.

At March 31, 2018, the net book value of exploration camp and equipment assets held under capital lease arrangements was $0.1 million (December 31, 2017 - $0.1 million).

(Tabular amounts expressed in thousands of Canadian dollars)

7. Mineral properties

The following is a summary of cumulative exploration and evaluation costs incurred:

Summary - by property	March 31, 2018	December 31, 2017
Back River (Nunavut)	$ 303,019	$ 296,460
Wishbone (Nunavut)	4,632	4,632
Red Lake (Ontario)	5,733	5,732
	$ 313,384	$ 306,824

The following is a detailed continuity of cumulative exploration and evaluation costs incurred at Back River:

	Three months ended	
	March 31, 2018	March 31, 2017
Back River (Nunavut)		
Balance, beginning of period	$ 296,460	$ 276,935
Additions:		
Drilling and camp support	1,983	94
Detailed engineering and pre-development activities	1,912	702
Environmental and permitting	984	496
Geology & geophysics	123	105
Management & administration	131	81
Property maintenance	71	3
Share-based payments (note 9(a))	986	521
Depreciation	369	802
	6,559	2,804
Balance, end of period	$ 303,019	$ 279,739

8. Share capital and other components of equity

At March 31, 2018, the authorized share capital of the Company was comprised of an unlimited number of common shares without par value. The number of issued and outstanding common shares is as follows:

	2018		2017	
	# of shares	$	# of shares	$
Issued and outstanding as at January 1	226,888,181	396,377	220,060,902	386,613
Issued for cash, net of share issuance costs	24,930,000	62,114	3,470,000	5,645
Issued on exercise of stock options	10,000	13	52,191	-
Fair value of options exercised	-	7	-	101
Deferred income tax effect of share issue cost	-	1,067	-	115
Flow-through share premium liability (note 10)	-	-	-	(1,041)
Issued and outstanding at March 31	251,828,181	459,578	223,583,093	391,433

On January 19, 2018, the Company completed a private placement financing of 24,930,000 common shares at $2.65 per common share for gross proceeds of $66.1 million and net proceeds of $62.1 million after deducting transaction costs of $4.0 million.

On February 28, 2017, the Company completed a bought deal financing of 3,470,000 flow-through common shares at a price of $1.75 per common share for gross proceeds of $6.1 million. Costs associated with the financing totaled $0.4 million.

(Tabular amounts expressed in thousands of Canadian dollars)

9. Share-based payments

a) Share purchase options

The number and weighted average exercise prices of outstanding share options are as follows:

	2018			2017		
	Number of options		Average exercise price	Number of options		Average exercise price
Outstanding as at January 1	12,234,500	$	1.14	13,972,000	$	1.49
Exercised during the period	(10,000)		1.26	(52,191)		0.92
Forfeited or expired during the period	(1,960,000)		2.75	(1,929,809)		3.78
Granted during the period	3,150,000		2.07	2,331,500		1.26
Outstanding at March 31	13,414,500		1.12	14,321,500		1.15
Not vested at March 31	(878,333)		1.53	(250,000)		0.43
Exercisable as at March 31	12,536,167	$	1.09	14,071,500	$	1.14

As permitted under the Company's Stock Option Plan, nil options (2017 – 187,000 options) were exercised as stock appreciation rights during the three months ended March 31, 2018, resulting in the issuance of nil common shares (2017 – 52,191 common shares) with no cash proceeds. The common shares issued represent the difference between the market price of the common shares at the date of issuance and the exercise price of the stock options exercised divided by the market price at the exercise date. The difference between the number of options exercised and the number of shares issued is included in forfeited or expired options in the table above. Additionally, 10,000 options (2017 – nil) were exercised during the three months ended March 31, 2018 for cash proceeds of $0.01 million (2017 – $nil).

The following table summarizes the outstanding options as at March 31, 2018 by year of expiry:

Year	Number of options		Average exercise price
2018	350,000	$	1.14
2019	1,658,000		0.94
2020	5,820,000		0.60
2021	190,000		0.91
2022	2,246,500		1.32
2023	3,150,000		2.07
Outstanding at March 31, 2018	13,414,500		1.12
Not vested at March 31, 2018	(878,333)		1.53
Exercisable at March 31, 2018	12,536,167	$	1.09

Employee compensation cost

During the three months ended March 31, 2018, the Company recorded $2.9 million (2017 - $1.6 million) in share-based payment costs, of which $1.9 million (2017 - $1.1 million) is presented as an operating expense in the consolidated statement of comprehensive loss and $1.0 million (2017 - $0.5 million) is capitalized to mineral property costs.

Inputs for measurement of grant date fair values

The grant date fair values of share options were measured based on the Black-Scholes option pricing model. The weighted average inputs used in the measurement of the fair values at grant date of the share-based payment plans are the following: a risk-free interest rate of 1.9% (2017 – 1.1%); a dividend yield of 0% (2017 – 0%); an expected volatility of 67% (2017 – 70%) and expected lives of stock options of 5.0 years (2017 – 5.0 years). The weighted average fair value of options granted in the year was $1.14 per option (2017 - $0.76 per option). The expected volatility is estimated by considering historic average share price volatility.

(Tabular amounts expressed in thousands of Canadian dollars)

b) Back River share consideration

In connection with the original asset purchase dated June 9, 2009 to acquire the Back River assets from Dundee Precious Metals ("DPM"), the Company agreed to provide future equity consideration in the event certain milestones related to the project were met. At March 31, 2018, the remaining consideration consists of 5 million common shares of the Company, which would be issuable upon a positive production decision for the Back River Project.

10. Flow-through premium liability

		2018
January 1	$	1,116
Amortization		(559)
March 31	$	557

During 2017, the Company completed two flow-through financings for total gross proceeds of $12.2 million, which must be used to incur Canadian exploration expenditures. The flow-through premium liability of $2.8 million that was set up as a result of these financings is amortized over the period in which the funds are expended on qualifying activities.

At March 31, 2018, the Company had incurred $9.9 million eligible flow-through expenditures of the required $12.2 million.

11. Related parties

Key management personnel, comprised of directors and officers, received compensation as follows:

	Three months ended			
		March 31, 2018		March 31, 2017
Salaries and benefits	$	414	$	426
Stock-based compensation, non-cash		2,065		1,187
	$	2,479	$	1,613

12. Income taxes

The tax effects of temporary differences between amounts recorded in the Company's accounts and the corresponding amounts as computed for income tax purposes gives rise to the following deferred tax assets and liabilities:

		March 31, 2018		December 31, 2017
Deferred tax assets/(liabilities)				
Tax loss carry forwards	$	25,381	$	24,224
Financing costs		1,466		490
Provision for closure and reclamation		604		604
Other		(18)		(7)
Flow-through share effect on mineral properties		(51,604)		(51,009)
Mineral properties		(13,321)		(12,438)
Property and equipment		4,475		4,377
Net deferred tax liabilities	$	(33,017)	$	(33,759)

Sabina has tax loss carry forwards at March 31, 2018 of approximately $94.0 million expiring from 2031 to 2038 (December 31, 2017 – $89.7 million).

13. Subsequent events

Framework Agreement

On April 23, 2018, the Company jointly announced with the Kitikmeot Inuit Association ("KIA") finalization of the definitive Framework Agreement ("FA"), which provides the commercial leases authorizing mine and development and operations. The FA is a comprehensive agreement which sets out rights and obligations with respect to surface land access on Inuit owned land and includes an Inuit impact and benefits agreement among other obligations required by the Nunavut land claims agreement, including the following key provisions:

- A 20-year term;
- Surface access rights, including:
    - Land use licenses to conduct exploration work at Back River;
    - Advanced exploration leases permitting various advanced exploration and pre-production activities at Back River; and
    - Commercial leases authorizing the development of mines and related operations and closure activities at the Goose Property;
- Certain payments, including:
    - Annual payment to the KIA of up to $1 million;
    - Issuance to the KIA of 6.7 million common shares of Sabina (subject to regulatory approval);
    - Grant to the KIA of a 1% net smelter royalty on production at Back River; and,
    - An initial investment of $4 million into regional wealth creation initiatives in the Kitikmeot.

Flow-Through Financing

On May 3, 2018, the Company announced that it had arranged a non-brokered private placement pursuant to which it will sell approximately 3,000,000 flow-through common shares at a price of $2.00 per share to raise gross proceeds of approximately C$6 million. The proceeds will be used for exploration on the Company's Back River Project.

The Financing is scheduled to close on or about May 15, 2018 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, 2019.

This Management's Discussion and Analysis ("MD&A") of Sabina Gold & Silver Corp. ("Sabina" or "the Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended March 31, 2018. The MD&A was prepared as of May 7, 2018 and should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the three months ended March 31, 2018 and the audited consolidated financial statements for the year ended December 31, 2017, which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All figures are in Canadian dollars unless otherwise stated.

Overview

Sabina is an emerging precious metals company focused on the objective of becoming an intermediate gold producer through the exploration and development of its mineral resource properties. The Company's flagship assets are its 100% owned Back River gold project ("Back River Project") (feasibility study completed in September 2015 and environmental assessment completed in December 2017), and its silver royalty on the Hackett River project, both located in Nunavut, Canada.

Q1 2018 Highlights:

- The Company had cash and cash equivalents and short-term investments of $86.0 million at March 31, 2018.

- On January 19, 2018, the Company completed a financing of 24,930,000 common shares with Zhaojin International Mining Co., Ltd. ("Zhaojin International") at a price of $2.65 per share for gross proceeds of $66.1 million. Net proceeds of $62.1 million (after financing costs of $4.0 million) will be used to advance the Company's Back River Project as well as for working capital and general corporate purposes.

- On February 9, 2018, Mr. Leo Zhao was appointed to the Company's Board as Zhaojin International's nominee in relation to its investment.

- On February 13, 2018, the Company announced budget plans of $83 million focusing on the commencement of pre-development infrastructure improvements at the Back River Project as well as exploration of potentially high-value targets. Project development programs are focused on de-risking and expediting the time line towards first gold production.

- On March 6, 2018, the Company announced that drilling commenced on its 6,000-meter, first phase spring drill program following mobilization of crews to open the Goose camp in February. This year's drilling will focus on following up on significant results from 2017 at the Umwelt Vault and the Llama Extension. In addition, drill testing is planned at the Goose Main trend, Echo-Kogoyok trend, and the deep iron formation ("DIF") horizon. Subsequent to the quarter, on April 8, 2018, the Company announced first results from the program at the Llama Extension target. Drill hole 18GSE530 returned 15.67 g/t gold over 23.25 meters, including 32.56 g/t gold over 10.30 meters.

- On March 14, 2018, the Company announced the receipt of a Type B water license from the Nunavut Water Board ("NWB"). This Type B water license is a key authorization to complete work planned for the Back River Project in 2018, including preparing the marine laydown area to receive necessary supplies, as well as pre-development earthworks to establish all weather roads between the deposits, camp sites, the tailings storage facility and the mill site.

- On March 15, 2018, the Company announced the appointment of Mr. Lello Galassi as Vice-President, Project Development and Construction. Mr. Galassi brings to the role extensive experience in acquisition, development, and project construction management for significant greenfield mining projects in remote areas of the world.

- On March 26, 2018, the Company announced the filing of a final base shelf prospectus with various Canadian securities regulators, which will enable Sabina to make offerings of up to $500 million of any combination of common shares, debt securities, subscription receipts, units and warrants during the next two years.

- For the three months ended March 31, 2018, the Company reported net loss of $2.6 million or $0.01 per share.

- On April 23, 2018, the Company jointly announced with the Kitikmeot Inuit Association ("KIA") completion of a definitive Framework Agreement ("FA") on terms consistent with the Binding Term Sheet announced on October 18, 2017. The FA, which provides the commercial leases authorizing mine development and operations, is a comprehensive agreement which sets out rights and obligations with respect to surface land access on Inuit owned land. The FA includes an Inuit impact and benefits agreement ("IIBA") among other obligations required by the Nunavut land claims agreement ("Nunavut Agreement")with the following key provisions:
    - A 20-year term;
    - Surface access rights, including:
        - Land use licenses to conduct exploration work at Back River;
        - Advanced exploration leases permitting various advanced exploration and pre-production activities at Back River; and
        - Commercial leases authorizing the development of mines and related operations and closure activities at the Goose Property;
    - Certain payments, including:
        - Annual payment to the KIA of up to $1 million;
        - Issuance to the KIA of 6.7 million common shares of Sabina;
        - Grant to the KIA of a 1% net smelter royalty on production at Back River; and,
        - An initial investment of $4 million into regional wealth creation initiatives in the Kitikmeot.

- On May 3, 2018, the Company announced that it had arranged a non-brokered private placement pursuant to which it will sell approximately 3,000,000 flow-through common shares at a price of $2.00 per share to raise gross proceeds of approximately C$6 million. The proceeds will be used for exploration on the Company's Back River Project. The Financing is scheduled to close on or about May 15, 2018 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, 2019.

Results of Operations

Back River, Nunavut (100% ownership)

The Back River Project is located approximately 520 km NE of Yellowknife and 70 km south of Bathurst Inlet, and is comprised of 48 Federal Mineral Leases and 18 Federal Mining Claims covering approximately 55,000 hectares. It is divided into the Goose, George, Boot, Boulder, Del and Bath properties, with the Goose property hosting the Goose, Llama, Echo and Umwelt gold deposits, and the George property (located approximately 50 km northwest of Goose) hosting six known gold deposits.

The 2018 work program is focused on advancing the Back River Project and includes:

- Commencement of pre-development infrastructure activities, earthworks, construction of the marine laydown area ("MLA") and procurement of key infrastructure and equipment for both the MLA and Goose sites;
- Completion of detailed engineering required for 2019 and further refinement of the project execution plan;
- Completion of the permitting process and receipt of both Type A and B water licenses;
- Completion of a targeted exploration program; and
- Advancement of the project debt finance process.

Back River Project Exploration

During 2018, Sabina has planned a significant exploration diamond drilling program along with field mapping, rock sampling, till sampling, geophysics and diamond drilling at Back River. This work is designed to expand and optimize existing resources and advance and delineate exploration targets towards the discovery of new mineralization that has the potential to favorably impact project economics and will be completed in two phases.

The Goose Camp opened in mid-February 2018 and the first phase of drilling commenced in early March. An initial 6,000 meter spring drill program will focus on following up on the significant 2017 results at Vault and Llama. Significant results reported last year included: 16.86 g/t gold over 13.50 m in drill hole 17GSE511B at Vault (see news release May 23, 2017) and 9.48 g/t gold over 38.55 m in drill hole 17GSE516B at Llama Extension (see news release September 5, 2017). In addition, drill testing is targeted at the Goose Main Trend, Echo, Kogoyok, the DIF horizon and Boulder Project targets. Subject to advancement of funding initiatives in 2018, up to an additional 19,000 meters is targeted for a summer drill program.

During March 2018, a total of 2,823 meters of drilling was completed on the Vault zone at Umwelt and the Llama extension. Drilling is expected to continue until May 1 on other targets.

Vault Zone – Umwelt

Drill testing of the Vault zone during 2017 continued to highlight the potential for significant widths of higher grade mineralization along a central corridor with strike potential of over 300 meters. Drilling in 2018 will continue to test the high-grade potential at the Vault to better define the size, continuity, and grade of this zone. Initial drilling with one hole has targeted the Vault zone at approximately 650 meters vertical depth where extension potential for high-grade mineralization has been identified. Additional areas will be targeted based on the success of initial drilling results.

Llama Extension

Two initial drill holes totaling approximately 1,400 meters are underway to test expansion potential surrounding the high value intercepts reported in 2017 where mineralization is identified well down plunge (~500m) of current deposit resources. Success at the target is an opportunity for underground development at the deeper Llama resource trend which is not part of the current development plan. Subsequent to the quarter, on April 8, 2018, the Company announced first results from the program at the Llama Extension target. Drill hole 15GSE530 returned 15.67 g/t gold over 23.25 meters, including 32.56 g/t gold over 10.30 meters. The drill hole is located approximately 60 meters up plunge from drill hole 17GSE516B, approximately 450 meters down plunge of the current Llama resources which remain open.

Goose Main Trend (Nuvuyak Target)

There has been limited historical drilling on the mineralized trend west of the current Goose Main resource area. Recent modeling concepts have highlighted potential for probable extensions to this significant gold structure. Two holes are underway for this target which is located approximately two kilometers to the west of the Goose Main deposit. The mineralization trend remains open both along strike and down plunge presenting an opportunity for continued discovery and growth as is found at the Umwelt and Llama deposits.

Echo-Kogoyok Trend

Vectoring and advancement of the Echo – Kogoyok trend will continue with additional drilling completed on a priority basis. This target remains an underexplored portion of the Goose property stratigraphy and is recognized as having many exploration elements analogous to local gold resource settings. Additional work will include electromagnetic geophysical surveying, geochemical sampling programs, and lead in desktop studies in support of summer field programs.

Back River Project Development

On September 14, 2015, the Company completed and announced results of its 3,000 tonne per day ("tpd") feasibility study ("3KFS") on its Back River Project. Base case economics in Canadian dollars were based on a gold price of US$1,150 per ounce and an exchange rate of 0.80 (US$:C$). The 3KFS highlights include:

- An after-tax internal rate of return of 24.2%;
- A net present value of $480 million based on a 5% discount rate;
- Life-of-mine ("LOM") after-tax net cash flow of $782 million on gross revenues of $3.2 billion;
- Payback period of 2.9 years (from start of operations);
- Annual LOM gold production of 198,000 ounces, 244,000 ounces per year in the first 8 years;
- Most of production from open pit mining (72% LOM) with no underground production scheduled until year 3;
- Initial capital estimate of $415 million and sustaining capital estimate of $185 million;
- Total LOM cash costs of US$534 per ounce of (including third party royalties, refining and transport);
- LOM all-in sustaining cash costs of US$598 per ounce (including sustaining capital);
- A total of 12.4 million tonnes of ore to be milled over 11.8 years
- LOM average grade of 6.3 g/t gold and metallurgical recoveries of 93%;
- Base case assumptions of delivered diesel price of $0.91 per litre for power generation; and
- LOM open pit strip ratio of 10.5:1.

On October 29, 2015, the Company completed and filed its NI 43-101 compliant technical report on the Back River Project entitled "Technical Report for the Initial Project Feasibility Study on the Back River Gold Property, Nunavut, Canada" dated October 28, 2015 on www.sedar.com.

During 2017, project development activities were focused around the completion of basic engineering and certain value engineering initiatives. This work was tasked to a joint venture between Sedgman Canada and CGT Industrial (Clark Builders, the Gisborne Group and Tarpon Energy Services), collectively ("SCGT") (process, infrastructure, and overall project assembly), Golder and Associates (geotechnical, waste/water management, closure), Nor-Ex Ice Engineering (winter road design) and Kitnuna BBE Expediting (logistics and transportation).

Following the completion of basic engineering, work commenced on detailed engineering and analysis of the critical path items to deliver first gold production currently targeted for Q4 2021. In addition, discretionary 2018 activities (contingent on the advancement of funding initiatives) have been identified that could advance the start of production forward to the first half of 2021. As part of this process, work is ongoing on estimating capital and operating costs; while an increase in capital expenditures is anticipated, it is expected to be within the sensitivities of the 3KFS.

During Q1 2018, work on detailed engineering continued along with commencement of pre-development activities at the MLA, and procurement of key pieces of equipment and supplies. Activities at the MLA included preparation of the ice strip as well as commencing construction of camp structures. Purchase order commitments during the quarter for significant items to be received subsequent to quarter end include additional mobile equipment, drills, fuel tanks, diesel gensets, structures and pre-development earthworks for MLA site preparation.

Mr. Angus Campbell, P. Geo. and Vice-President, Exploration and Mr. Jeff Eng, P.Eng., Director, Project Development are Qualified Persons under the terms of NI 43-101 and have reviewed the technical content of this MD&A for the Back River Project and approved its dissemination.

Back River Project Community and Social Responsibility

Environmental Assessment and Permitting

Following an extensive environmental assessment process that spanned several years, in December 2017 the Minister of Indigenous and Northern Affairs Canada ("INAC") accepted the recommendation of the Nunavut Impact Review Board ("NIRB") that the Back River Project should proceed to the final licensing phase. This enabled the NWB to commence public review of the Type A and Type B water license applications related to initial development, mine construction and operation of the Back River Project.

In Q1 2018, the NWB issued the Type B water license to Sabina. The Type B water license is a key authorization to complete work planned for the Back River Project in 2018 and permits Sabina to complete pre-development activities, including infrastructure works at the MLA as well as earthworks to establish all weather roads between the deposits, camp sites, the tailings storage facility and the mill site.

Land Tenure Agreements

The KIA, which represents the interests of Inuit beneficiaries in the region under the Nunavut Agreement, is the surface title holder of 104,278 square kilometers of Inuit owned lands in the Kitikmeot region, including the majority of the lands that comprise the Back River Project, and was a participant in the project's environmental assessment process.

On April 23, 2018, the Company jointly announced with the KIA completion of a definitive FA on terms consistent with the Binding Term Sheet announced on October 18, 2017. The FA, which provides the commercial leases authorizing mine and development and operations, is a comprehensive agreement which sets out rights and obligations with respect to surface land access on Inuit owned land and includes an IIBA among other obligations required by the Nunavut Agreement, including the following key provisions:

- A 20-year term;
- Surface access rights, including:
    - Land use licenses to conduct exploration work at Back River;
    - Advanced exploration leases permitting various advanced exploration and pre-production activities at Back River; and
    - Commercial leases authorizing the development of mines and related operations and closure activities at the Goose Property;
- Certain payments, including:
    - Annual payment to the KIA of up to $1 million;
    - Issuance to the KIA of 6.7 million common shares of Sabina (subject to regulatory approval);
    - Grant to the KIA of a 1% net smelter royalty on production at Back River; and,
    - An initial investment of $4 million into regional wealth creation initiatives in the Kitikmeot.

Summary of Results

(Expressed in thousands of dollars, except per share amounts)

	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2
Total assets	$ 455,291	$ 384,394	$ 387,802	$ 380,166	$ 380,425	$ 374,805	$ 377,932	$ 383,270
(Loss)/earnings	(2,610)	(1,332)	(469)	(566)	(1,429)	(1,958)	(3,716)	201
Per Share	$ (0.01)	$ (0.01)	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)	$ (0.02)	$ 0.00

1. During the three months ended December 31, 2016, the Company's loss of $2.0 million includes a write-down of mineral properties of $1.9 million.

2. During the three months ended September 30, 2016, the Company's loss of $3.7 million includes a write-down of mineral properties of $5.2 million.

Overall Performance

For the three months ended March 31, 2018, the Company reported a net loss of $2.6 million compared with $1.4 in the comparative quarter. The difference was largely the result of higher share-based payments, professional fees and deferred income taxes, partially offset by an increase in net finance income.

Operating expenses in the current quarter were $3.2 million compared to $1.8 million in Q1 2017. Period-over-period unfavourable variances are summarized below.

(figures in $ millions)

Expense	Variance	Description
Professional services	(0.3)	Financial advisory and independent engineering fees for Back River Project financing.
Listing, transfer and shareholder	(0.2)	Higher share listing and filing fees due to issuance of additional 24.9 million common shares and higher market capitalization for the Company.
Salaries and severance	(0.1)	Staff increase and severances.
Share-based payments	(0.8)	Higher fair value of stock options granted.

For the three months ended March 31, 2018 net finance income was $0.7 million greater than the same period in 2017 due to the amortization of the flow-through premium associated with flow-through financings completed in 2017 as well as higher interest income due to an overall increase in cash.

For the three months ended March 31, 2018, deferred income tax expense was $0.3 million (2017 – recovery $0.1 million), driven primarily by the renunciation of flow-through expenditures.

For the three months ending March 31, 2018, deferred exploration and evaluation expenditures were $6.6 million compared to $2.8 million in Q1 2017. Year-over-year favourable/(unfavourable) variances are summarized below.

(figures in $ millions)

Deferred Exploration Expenditures	Variance	Description
Drilling and camp support	(1.9)	In 2018, the drilling program started in February while in 2017 it started in April.
Detailed engineering and pre-development activities	(1.2)	In 2018, increased expenditures on detailed engineering, including engineering associated with the proposed winter ice road as well as geotech drilling to confirm ground conditions for potential site infrastructure locations.
Environmental and permitting	(0.5)	In 2018, expenditures were related KIA land tenure negotiations and Type A water license while in 2017, expenditures were related to completion of the FEIS Addendum.
Share-based payments	(0.5)	Higher fair value of stock options granted.
Depreciation	0.4	Certain capital assets were fully depreciated in 2017.

Outlook

The Company's strategic plan is focused on exploring and developing its primary asset, the 100% owned Back River Project, with the objective of becoming a gold producer. In 2015, the Company reported the results of two feasibility studies (6KFS and 3KFS), both of which demonstrated positive project economics. The Company believes that the 3KFS presents the best option for Sabina to initially commence production in the Back River district.

The Company has budgeted $83 million for its planned activities in 2018, which intends to deliver the following:

- Commencement of pre-development infrastructure activities, earthworks, construction of the MLA and procurement of key infrastructure and equipment for both the MLA and Goose sites;
- Completion of detailed engineering required for 2019 and further refinement of the project execution plan;
- Completion of the permitting process and receipt of both Type A and B water licenses;
- Completion of a targeted exploration program; and
- Advancement of the project debt finance process.

The Company has planned exploration programs in 2018 to follow up on opportunities for additional discoveries that were identified in 2017. The exploration program includes follow up on significant results obtained at the Llama Extension and the Umwelt Vault, along with additional drill testing of targets at the Goose Main trend, Echo-Kogoyok trend, and the lower DIF horizon.

In addition, the Company has identified certain discretionary expenditures which are contingent on achieving project development milestones during the year. These additional expenditures will be assessed with a view to advancing first gold production from Q4 2021 to the first half of 2021 and are contingent on advancement of project funding initiatives.

Liquidity and Capital Resources

The Company had cash and cash equivalents and short-term investments of $86.0 million at March 31, 2018 compared to cash and cash equivalents and short-term investments of $32.4 million at December 31, 2017.

During Q1 2018 the Company completed a financing of 24,930,000 common shares with Zhaojin International at a price of $2.65 per share for gross proceeds of $66.1 million. Net proceeds of $62.1 million (after financing costs of $4.0 million) will be used to advance development of the Company's Back River Project (including detailed engineering pre-development infrastructure improvements and early earthworks and permitting) as well as for working capital and general corporate purposes.

The Company forecast its cash requirements for the next fiscal year and believes it has sufficient cash resources and liquidity to sustain its planned activities. This assessment is based on the Company's budget, its available cash and short-term investments, and the fact that certain of the Company's expenditures are discretionary in nature and can be deferred as required without significant impact on the Company or its mineral properties. The future exploration and development of the Back River Project will require the Company to raise additional capital through a combination of debt and equity financings.

Financial Instruments

The fair values of the Company's financial instruments consisting of cash and cash equivalents, short term investments, accounts receivable, and accounts payable and accruals approximate their carrying values because of their short terms to maturity. The fair value of marketable securities is determined based on quoted market prices.

At March 31, 2018, the Company had 1,998,000 common shares of Pure Gold with a fair value of $1.2 million (December 31, 2017 – 1,998,000 shares at $1.1 million).

Liabilities and Contingencies

The Company has the legal obligation to reclaim exploration camps for which it holds water licenses and exploration and mining agreements and has recorded a provision for site reclamation of $2.2 million. The Company has issued security deposits to the KIA as land owner for this amount in relation to these obligations.

The Company expects to issue additional security of approximately $1.5 million in Q2 2018 as a condition of the receipt of its Type B water license. This security amount has been set by the NWB for the expected additional site reclamation costs for the activities contemplated under the Type B water license. This reclamation obligation will be incorporated into the provision for site reclamation as the 2018 activities are completed and the disturbance to land has occurred.

Contractual Obligations

At March 31, 2018, the Company had purchase commitments for pre-development infrastructure and equipment of $26.7 million (December 31, 2017 – $nil) with a further $1.2 million committed subsequent to quarter end. Significant commitments include mobile equipment, drills, fuel tanks, diesel gensets, structures and pre-development earthworks for MLA site preparation.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements and no long-term debt obligations.

Critical Accounting Estimates

The preparation of the Company's consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

See Critical Accounting Estimates in the Company's 2017 annual MD&A as well as note 3 of the 2017 audited consolidated financial statements for a detailed discussion of the areas in which critical accounting estimates are made.

Estimates, judgments, and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

New Accounting Standard

On January 1, 2018, the Company adopted IFRS 9, Financial Instruments which replaces IAS 39, Financial Instruments: Recognition & Measurement. An assessment was made and the impact to the Company's consolidated financial statements was to reclassify changes in the fair value of its marketable securities through profit or loss as compared to the Company's previous policy of recording such changes in fair value in other comprehensive income. The Company adopted IFRS 9 retrospectively without restatement of comparative amounts resulting in a reclassification of $0.9 million from accumulated other comprehensive income to deficit on January 1, 2018. Future changes in the fair value of these available-for-sale investments will be recorded directly in profit or loss. Additional disclosures have been provided in note 3(a) to the Company's March 31, 2018 interim condensed consolidated financial statements.

Disclosure Controls and Procedures and Internal Control Over Financial Reporting

Sabina's management is responsible for establishing and maintaining adequate disclosure controls and internal control over financial reporting. Any system of internal controls, no matter how well designed, has inherent limitations. As a result, even those systems determined to be effective can only provide reasonable assurance regarding the preparation and presentation of our financial statements. There have been no changes in our disclosure controls and internal control over financial reporting during the three months ended March 31, 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Due to inherent limitations associated with any such controls and procedures, management recognizes that, no matter how well designed and implemented, they may not prevent or detect all inaccuracies on a timely basis. These limitations include limited personnel available for such work, geographical logistics and human error among others. The Board of Directors assesses the integrity of the public financial disclosures through the oversight of the Audit Committee.

Outstanding Share Data

As at May 7, 2018, there were 251,828,181 common shares outstanding and there were options and warrants outstanding to purchase an aggregate of 18,414,500 common shares.

Risks and Uncertainties

For full details on the risks and uncertainties affecting the Company, please refer to the Company's audited annual consolidated financial statements and notes, annual MD&A and annual information form for the year ended December 31, 2017. These documents may be obtained or viewed on the SEDAR website at www.sedar.com and on the Company's website at www.sabinagoldsilver.com.

Additional Information

Sabina is a Canadian public mineral exploration company listed on the TSX Exchange trading under the symbol "SBB" and is a reporting issuer in British Columbia and Alberta. Additional information relating to the Company may be obtained or viewed on the SEDAR website at www.sedar.com and on the Company's website at www.sabinagoldsilver.com.

Forward Looking Information

This MD&A provides management's analysis of Sabina's historical financial and operating results and provides estimates of Sabina's future financial and operating performance based on information currently available. Actual results will vary from estimates and the variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance.

Certain information set forth in this MD&A, including management's assessment of the Company's future plans and operations, contains forward-looking information. By their nature, forward-looking information is subject to numerous risks and uncertainties, some of which are beyond the Company's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be inaccurate and, as such, undue reliance should not be placed on forward-looking information. Sabina's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur or, if any of them do so, what benefits Sabina will derive there from. Sabina disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise except as required by applicable law.