



Sabina Gold & Silver Corp.

A Gold Miner in the Making

September 2012

Forward Looking Statements

This presentation includes certain "forward looking statements" within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding potential mineralization, mineral resources or reserves, exploration results and future plans and objectives of Sabina Gold & Silver Corp. are forward looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

~6 M oz & growing high-grade gold resource at Back River

- *Positive PEA (\$1.1bn NPV & 32% IRR pre-tax @ \$1,250/oz gold)*
- *Pre-Feasibility Study underway*

Exploration success continues

- *Known deposits expanding at depth and near-pit*
- *Potential new discoveries being explored*

Major silver royalty on Xstrata's Hackett River Project

- *+\$100 million annual cash flow potential (at \$22/oz Ag)*
- *Hackett regional infrastructure to benefit Back River*

Low geopolitical risk

- *Assets located in Canada*

Strong treasury & experienced management

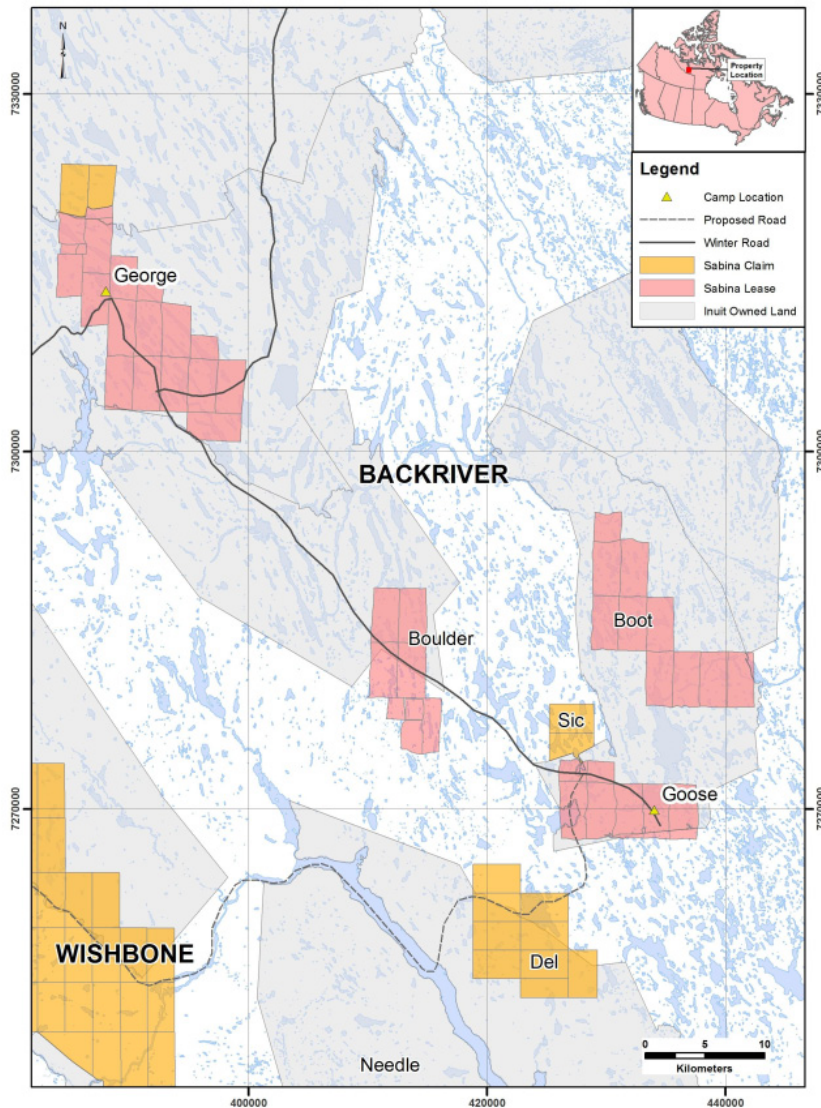
- *\$153 million at Jun. 30*

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- LEGEND:**
- Gold Deposit
 - Base Metal Deposit
 - Diamond Deposit
 - Operating Mine
 - Proposed BIPR Port

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- Sabina**
GOLD & SILVER CORP.

100%-Owned Back River Gold Project

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- Gold hosted in banded iron formations
- High-grade resource:
 - 4.2m oz Indicated @ 5.6 g/t
 - 1.7m oz Inferred @ 5.6 g/t
- Positive PEA May 2012 – PFS underway
- Permitting underway – Project Description submitted to NIRB
- >\$70m 2012 program ongoing
 - Exploration, engineering, environmental, camp improvements and airstrip

Assumptions:

- Gold Price: \$1,250/oz Au
- FX: \$1.00 CAD/USD
- Diesel: \$1.20/litre delivered
- Based on drilling to Nov. 2011

Results:

- \$649 M after-tax NPV
- 25% IRR & 3 year payback
- Open-pit & underground
- ~300 koz/year for +12 years
- All-in cash costs of \$542/oz
- Pre-production capital of \$450 M

Next Steps:

- Exploration ongoing
- PFS underway
- Permitting process initiated

PEA Results - \$1,250/oz Gold		
Pre-Tax NPV(5%) & IRR	\$M / %	\$1079 / 31.6%
After-Tax	\$M / %	\$649 / 24.5%
Payback	Years	3.0
Mill Throughput	tpd	5,000
Avg. Grade Processed	diluted g/t Au	6.13
Gold Recovery	%	90%
Mine Life	Years	12.3
Avg. Production	oz/year	299,000
On-Site Op. Costs	\$/t milled	\$88
Avg. Total Cash Cost	\$/oz	\$542
Pre-Production Capital	\$M	\$450.5
Ongoing/Sustaining Capital	\$M	\$388.1

Sensitivity to Gold Price	Post-Tax		
	Gold Price (\$/oz)	NPV-5% (\$M)	IRR
	\$1,000	\$252	13.3%
	\$1,250	\$649	24.5%
	\$1,500	\$1,044	34.4%
	\$1,600	\$1,201	38.0%

Hackett River – Focus for Xstrata Zinc Canada

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- Hackett River Zn-Ag Project sold to Xstrata Zinc Canada in 2011
 - \$50 M in cash + significant silver royalty to Sabina
- One of world's largest undeveloped VMS deposits; 45km west of Back River


Focused on Growing Deposit...

- Active 2012 Hackett exploration program focused on growing deposit


...and Advancing Infrastructure

- Hackett and BIPR engineering and enviro. programs ongoing
- Xstrata/Sabina BIPR agreement negotiations underway

Other organic growth Hackett River project (Canada)



- Xstrata Zinc has acquired 9 mining leases and 132 claims (about 120,000 hectares) of highly prospective ground in Nunavut, Canada - about 100km from a potential deep water port on the Bathurst Inlet
- A further 107 claims (90,300 hectares) have been staked
- The Hackett River property already includes a resource of around 66Mt of zinc ore with a high silver content
- Potential to increase the resource to over 100Mt
- Indicative production of more than 250ktpa of zinc in concentrates (similar to Brunswick), starting in 2016



Delivering Organic Growth

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Source: Xstrata Investor Seminar, Dec. 6, 2011; emphasis added by Sabina.

Hackett River Royalty – Substantial Value

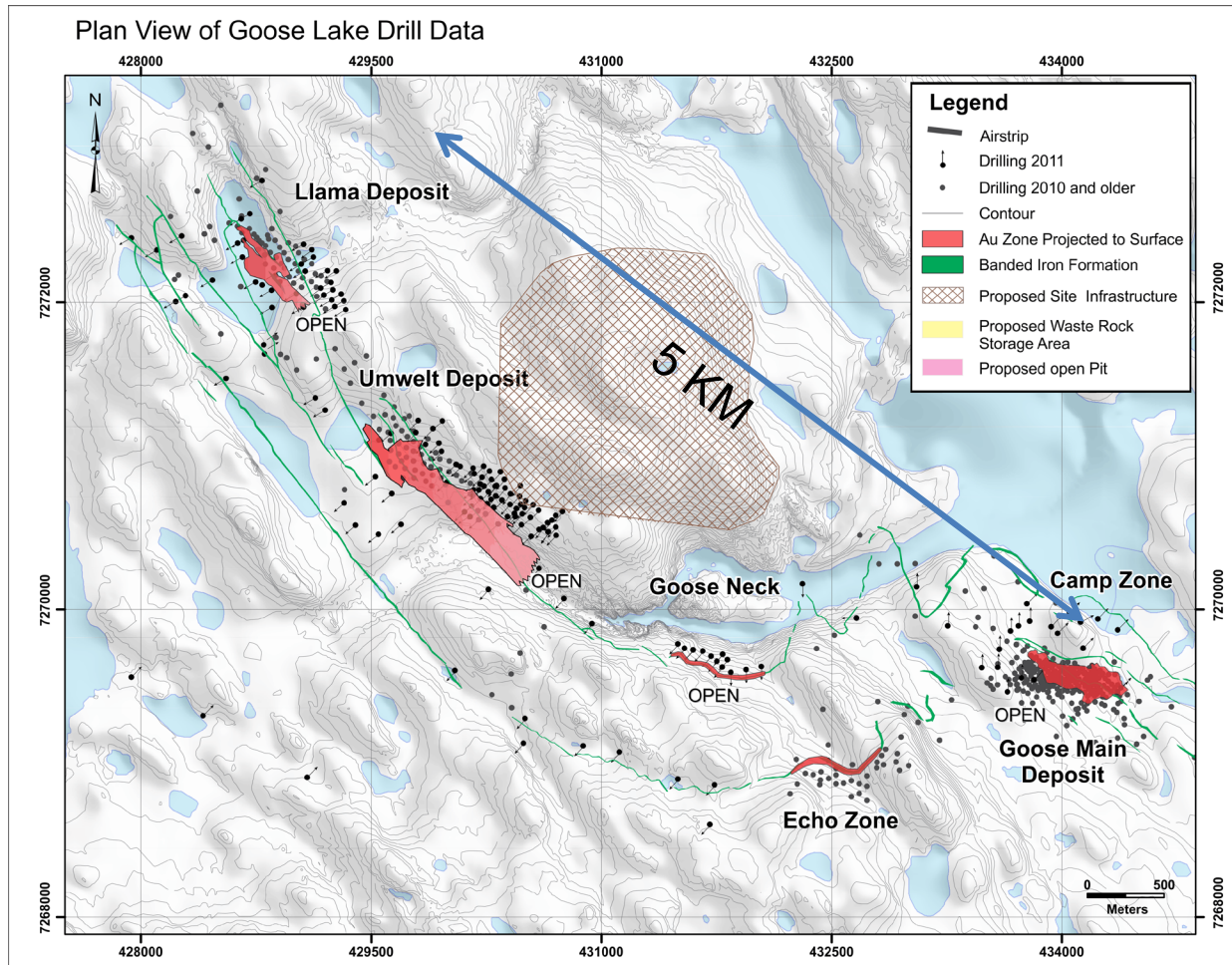
- Sabina retains significant silver royalty in Hackett River project
 - 22.5% of first 190 million ounces produced; 12.5% thereafter
 - Royalty = no capital or operating costs owed by Sabina
- Back River financing option - royalty/stream market very active:
 - Silver Wheaton/Hudbay \$750 million; Franco/Inmet \$1 billion
 - Regional infrastructure to de-risk royalty and benefit Back River logistics

	Sabina 2009 PEA	Conceptual*
Throughput	12,000 tpd	20,000 tpd
Resource	60 M t	100 M t
Avg. Ag Grade	121 g/t	→ assume same
Ag Recovery	77%	→ assume same
Avg. Payable Ag / year (100%)	12.2 M oz	20.4 M oz
Mine Life	14 years	14 years
Resulting Sabina Royalty		
Avg. Annual Ounces (years 1-10)	2.7 M oz	4.6 M oz
Annual cash flow at \$22/oz Ag	\$60 M	\$101 M
at \$30/oz	\$82 M	\$137 M
Pre-Tax NPV-5% at \$22/oz Ag	\$447 M	\$655 M
at \$30/oz	\$614 M	\$900 M

At \$22/oz Ag royalty demonstrates potential for:
 +\$100M annual cash flow
 &
 +\$650M NPV

Back River – Goose Claim Block

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- Critical mass for mining scenario with mill at Umwelt
- Fed from combined open-pit and underground mines at Llama, Umwelt & Goose
- Satellite underground mining at high-grade George deposit to the northwest

Back River PEA – Sensitivities & Optimizations

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Sensitivity to Capex & Opex (at \$1,250/oz Gold)

		Operating Costs				
NPV-5% (\$M) IRR (%)		-20%	-10%	Base Case	+10%	+20%
Capital Costs	-20%	\$956 38.3%	\$874 35.6%	\$791 33.0%	\$708 30.3%	\$626 27.5%
	-10%	\$885 33.2%	\$803 30.8%	\$720 28.4%	\$637 25.9%	\$555 23.4%
	Base Case	\$814 29.1%	\$731 26.8%	\$649 24.5%	\$566 22.2%	\$483 19.9%
	+10%	\$743 25.5%	\$660 23.4%	\$578 21.3%	\$495 19.1%	\$412 16.9%
	+20%	\$672 22.4%	\$589 20.4%	\$506 18.4%	\$424 16.4%	\$341 14.3%

Sensitivity to Gold Price

Gold Price (\$/oz)	Post-Tax	
	NPV-5% (\$M)	IRR
\$1,000	\$252	13.3%
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Optimizations being studied for PFS:

- 2012 infill and extension drilling to expand/upgrade resource
- Mine scheduling to optimize size of mining fleet, production schedule, etc.
- Metallurgical analysis to increase recoveries
- Infrastructure sharing with Hackett River

Back River – 2012 Exploration Highlights

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- >\$70 million exploration ongoing (wrap-up in Sept./Oct.)
- Ongoing results demonstrate expansion, extension and discovery potential:
 - In-Pit / Near-Pit:

Llama 12GSE141	15.16 g/t over 36.40 m
	& 7.15 g/t Au over 41.05 m
Llama 12GSE152	8.58 g/t over 20.00 m
Llama 12GSE153	21.58 g/t over 12.90 m
Llama 12GSE182	21.76 g/t over 11.70 m
Llama 12GSE185	9.94 g/t over 9.05 m
Umwelt 12GSE214	18.81g/t over 21.90 m

Llama open-pit demonstrating grade and size improvement potential.

- Underground Extension:

Umwelt 12GSE173	9.50 g/t over 7.15 m
Umwelt 12GSE191	9.73 g/t over 5.70 m
Umwelt 12GSE217	51.93 g/t Au over 16.10 m
Llama 12GSE168	6.73 g/t over 9.25 m
Llama 12GSE180	8.40 g/t over 10.90 m

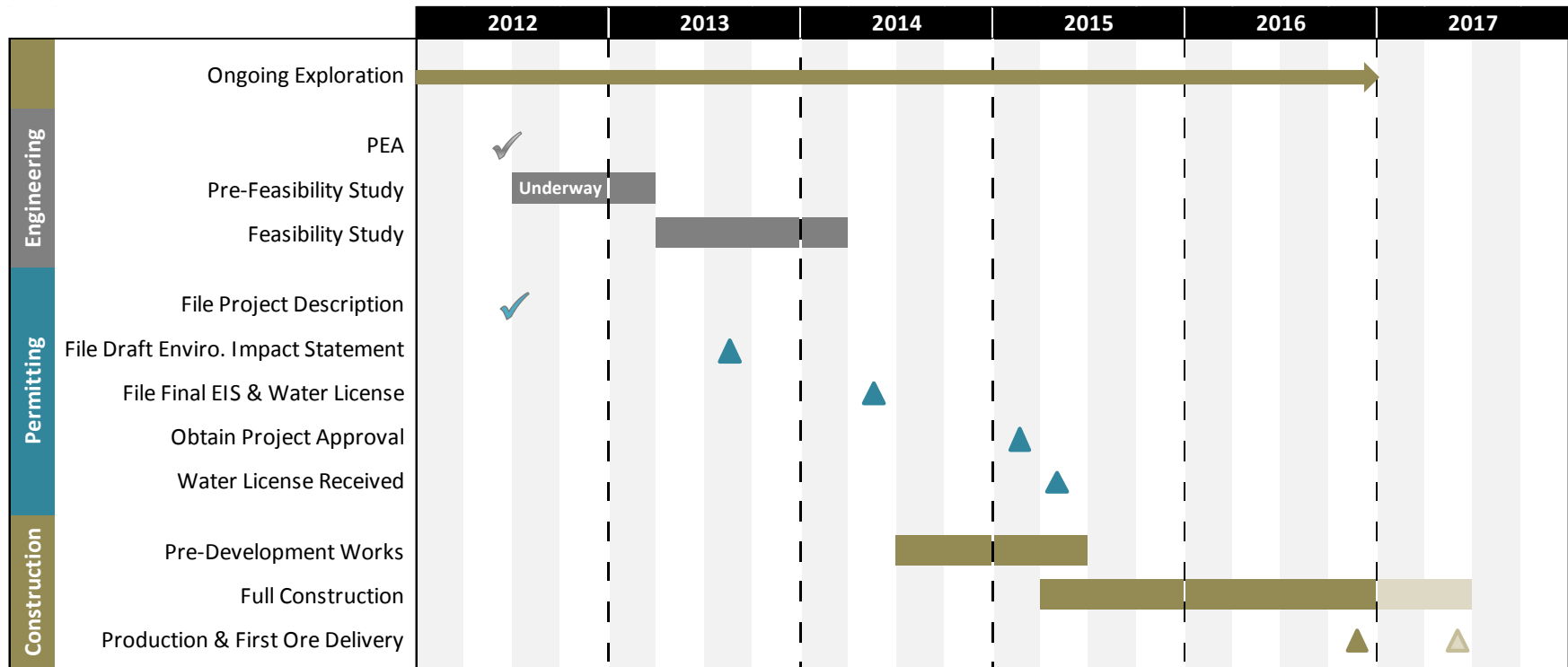
Umwelt mineralization traced over 325 m down plunge of current resource limits;
High-grade core of Umwelt G2 Zone extended 100m down plunge.

- New discoveries for follow-up:

Boulder 12BRP001	4.05 g/t over 11.00 m
George Fold Forest 12GRL046	5.92 g/t over 5.00 m
Goose Hook 12GSE178	3.65 g/t over 9.0 m

Back River – Conceptual Timeline

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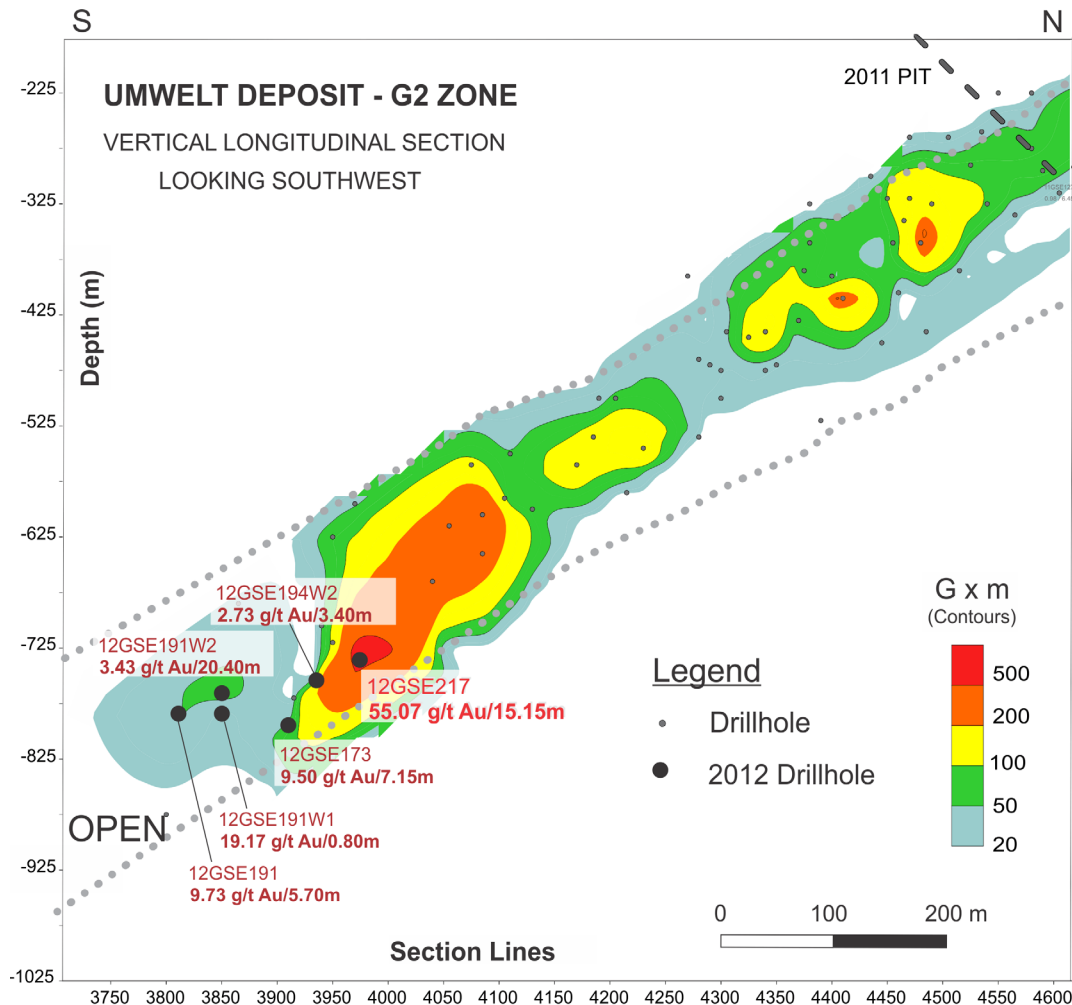


Permitting status:

- Project Description filed with Nunavut Impact Review Board
- First community engagement tours completed in June

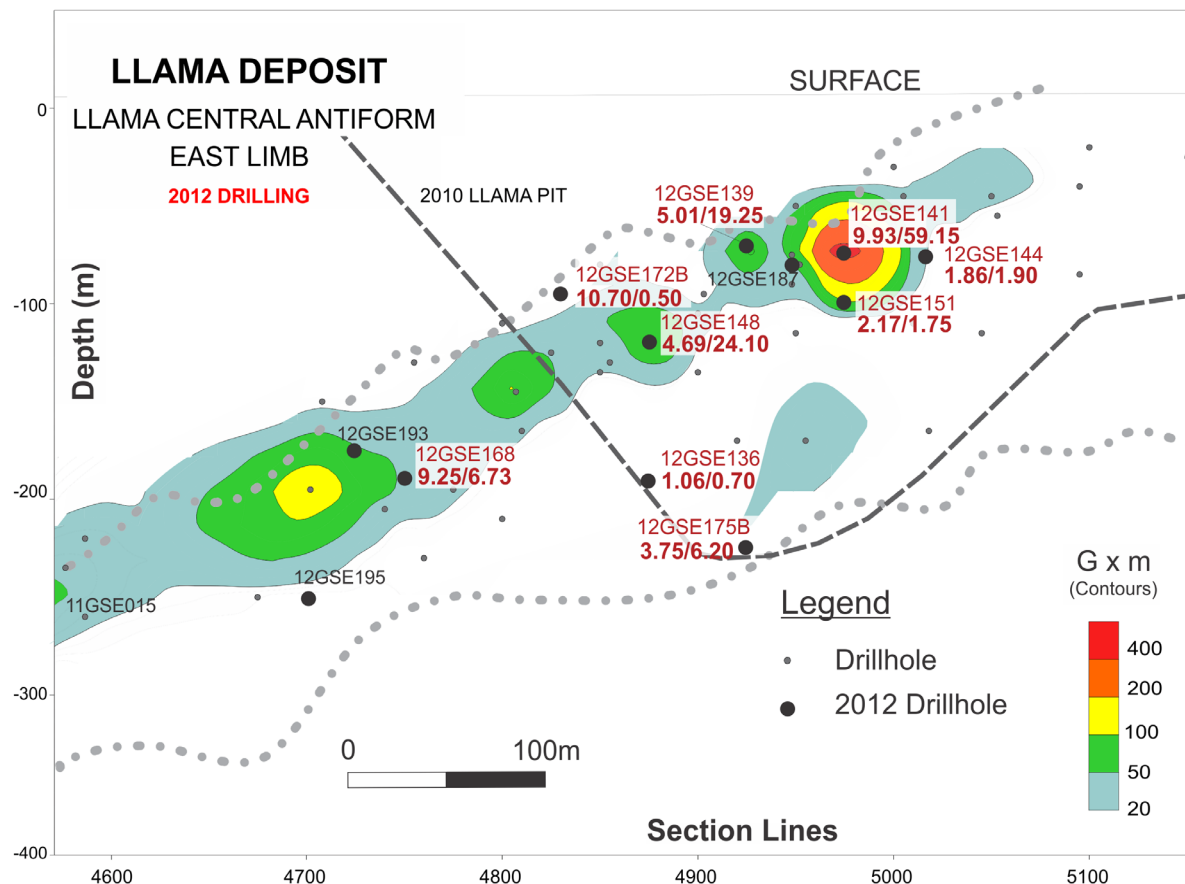


- +76,000 meter drill program
 - Expansion of known resources at Llama and Umwelt
 - Inferred → M&I resource conversion for PFS
 - Exploring for new gold discoveries at high priority targets at Goose, George and Wishbone
- Includes \$11mm spent on environmental & engineering work

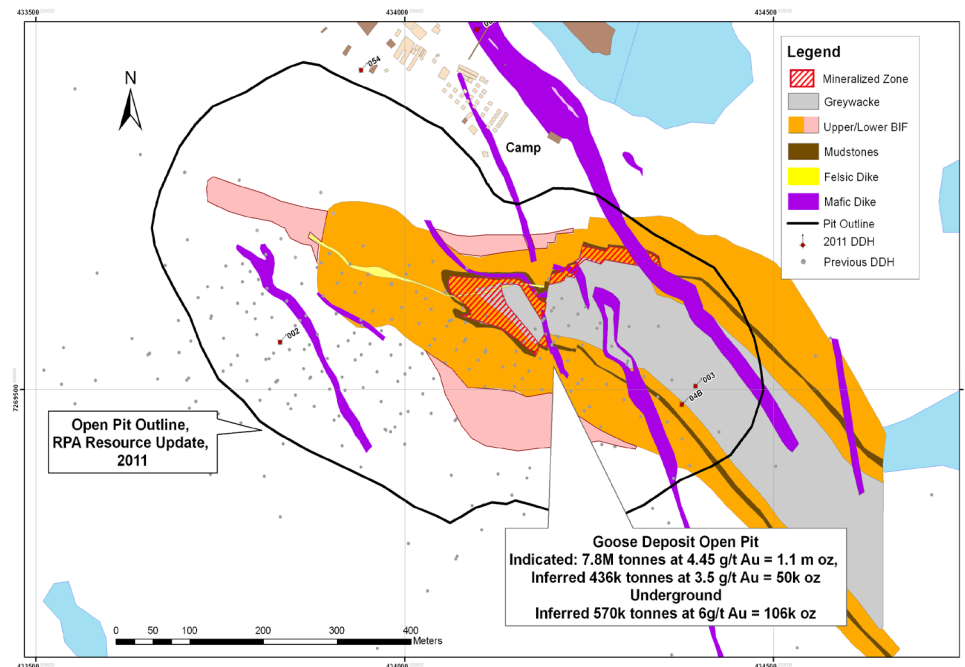


- Open-pit & underground “center of gravity” for Back River project
- High grade core of G2 Zone expanded 100 m down plunge with 12GSE217 returning 51.93 g/t Au over 16.10 m
- Mineralized zone with good thickness now traced +300 m down plunge of known resources
- Extension drilling continues further down plunge

- High-grade near-surface starter pit, open at depth
- Llama in-pit results have potential to enhance open-pittable resource (grade, tonnage, strip ratio)
- Llama down plunge drilling demonstrating underground potential (currently no underground resources at Llama)



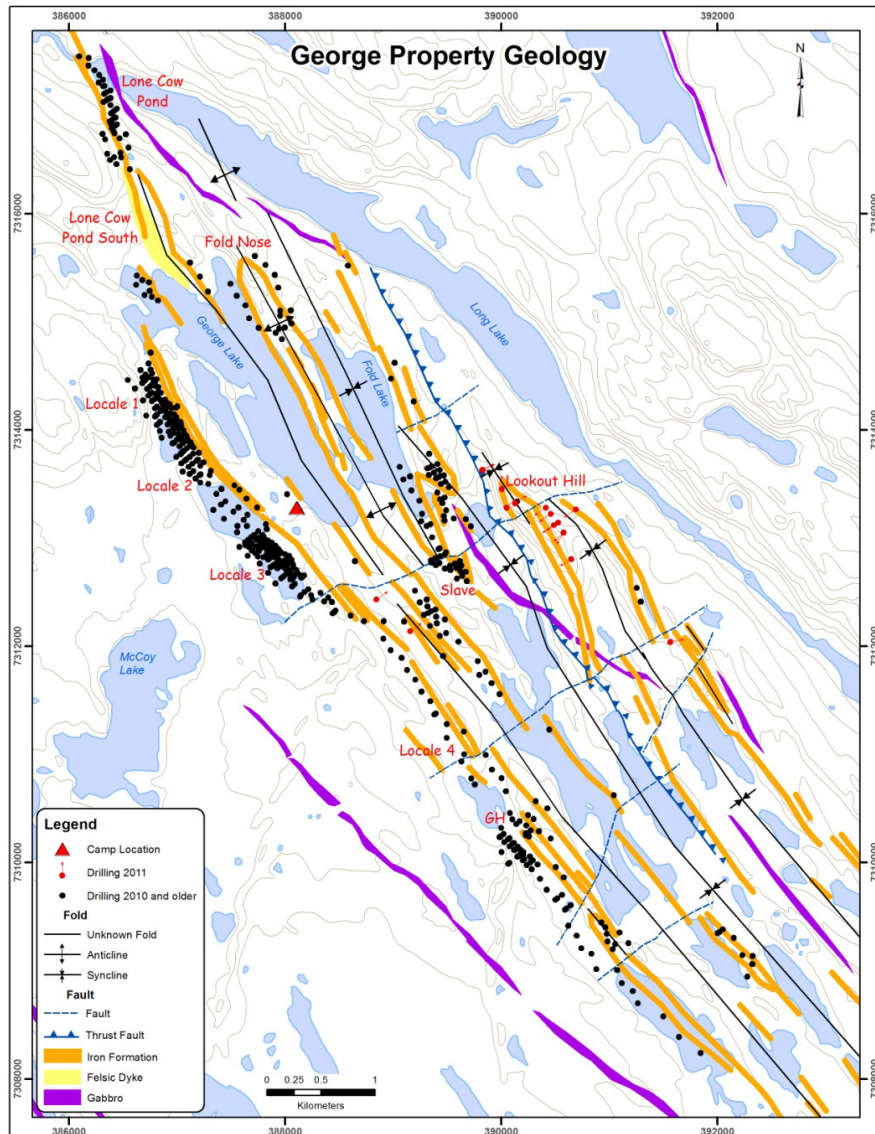
- Outcrops at surface and plunges 30 degrees N
- Open pit & underground mining
- Open along strike to the north and to depth



- New discovery of broadly mineralized zone termed the “Goose Hook” to be analysed and interpreted this winter
- Early interpretation indicates it may be extension of Goose Main sharply folded from a NE-SW to a SW orientation

Back River – George Claim Block

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- High grade underground ore bodies located 50 km to north of Goose Claim Block
- Looking for new large open pit deposits
- Shallow targets with open-pit potential being tested in 2012
- “Fold Forest” discovery demonstrating potential
(12GRL046: 5.92 g/t over 5.00m)
- New discovery on Boulder property, half way between George & Goose claim blocks, demonstrates property-wide potential
(12BRP001: 4.05 g/t over 11.00 m)

- Current resource excludes 2012 drill results

Classification	Deposit	Tonnes	Au (g/t)	Au (oz)
Indicated	Goose OP	7,697,000	4.45	1,101,000
	Llama OP	1,860,000	9.41	562,000
	Umwelt OP	6,532,000	4.89	1,026,000
	Umwelt UG	4,407,000	5.31	751,900
	George UG	2,727,000	8.14	714,000
	TOTAL INDICATED	23,223,000	5.56	4,155,000
Inferred	Goose OP	436,000	3.53	50,000
	Llama OP	981,000	5.71	180,000
	Umwelt OP	1,160,000	4.00	149,000
	Goose UG	570,000	5.81	106,000
	Umwelt UG	4,328,000	4.75	665,000
	George UG	1,857,000	8.92	533,000
	TOTAL INFERRED	9,332,000	5.61	1,683,000

Notes:

Mineral resources for Llama are reported at a 0.76 Au (g/t) cut-off within an optimized pit shell

Mineral resources for George are reported at a 2.00 g/t cut-off.

The Umwelt Deposit OP mineral resources are reported at a cut-off grade of 1.00 g/t. UG resources are reported at a cut-off grade of 2.00 g/t.

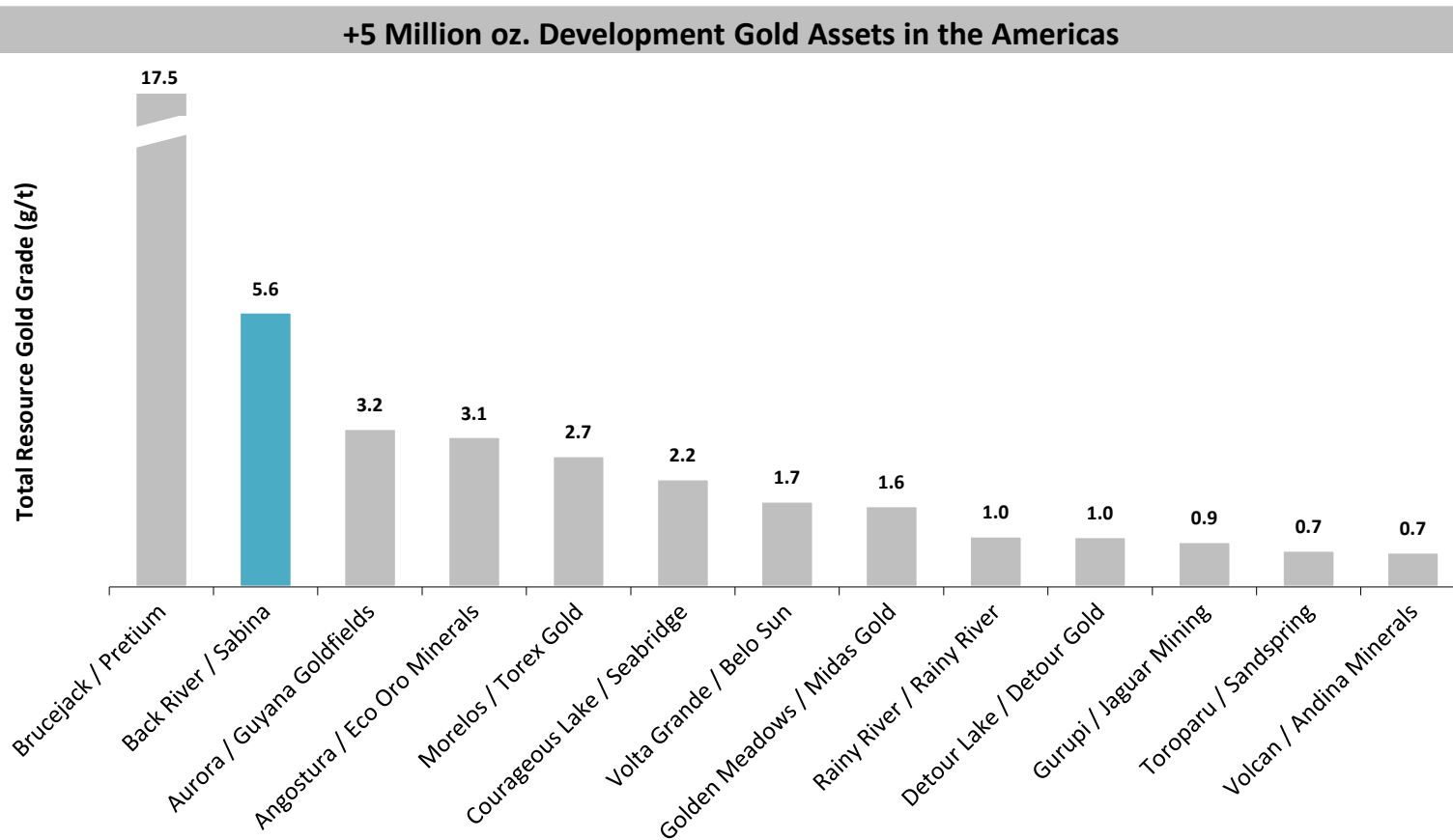
OP mineral resources for Goose are reported at a 1.50 Au (g/t) cut-off within an optimised pit shell using a pit discard cut-off grade of 0.70 Au (g/t). UG resources are reported at a cut-off grade of 3.00 Au (g/t).

The Qualified Persons responsible for the George and Umwelt Resource estimates are Wayne Barnett, Pr.Sci.Nat., and Marek Nowak, P.Eng., of SRK Consulting (Canada) Inc. respectively.

The Qualified Person responsible for the Goose and Llama Mineral Resource estimates is Patti Nakai-Lajoie, P.Geo, Roscoe Postle Associates.

Back River – World Class Grade

- One of the highest grade development assets not owned by a major/intermediate producer



Notes:

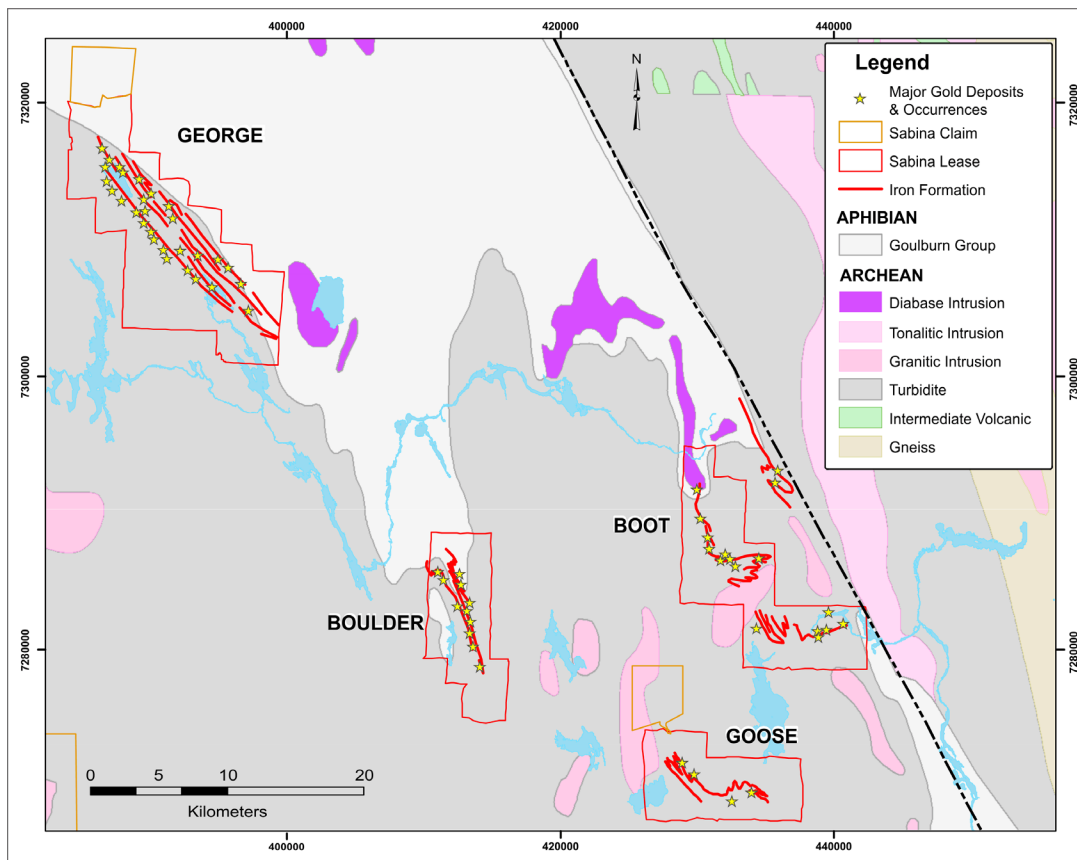
Total 2P, Measured, Indicated & Inferred gold resources larger than 5 million ounces; excludes by-products.

Source: Metals Economics Group

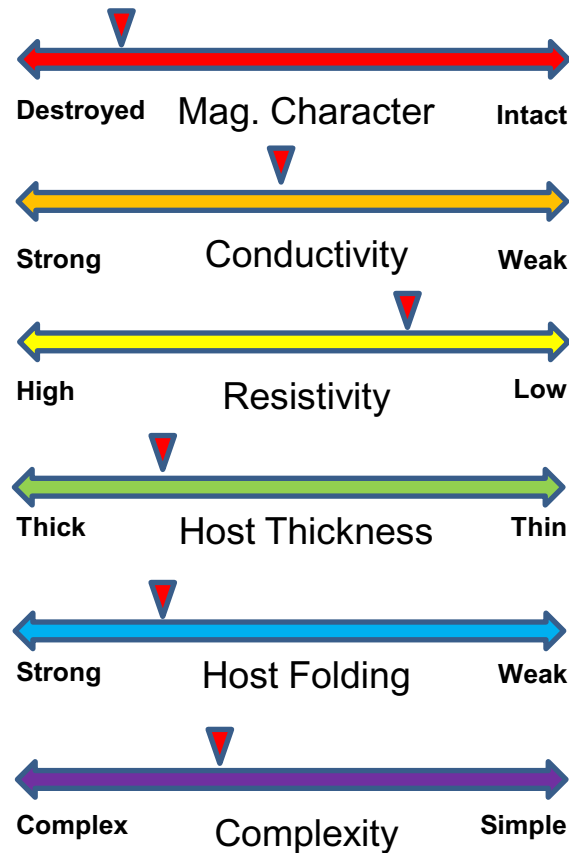
Back River – Property Wide Exploration

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- “Tool Box” used to target areas of low resistivity indicating altered iron formation
- 2012 discoveries of interest: Boulder, Goose Hook, George Fold Forest



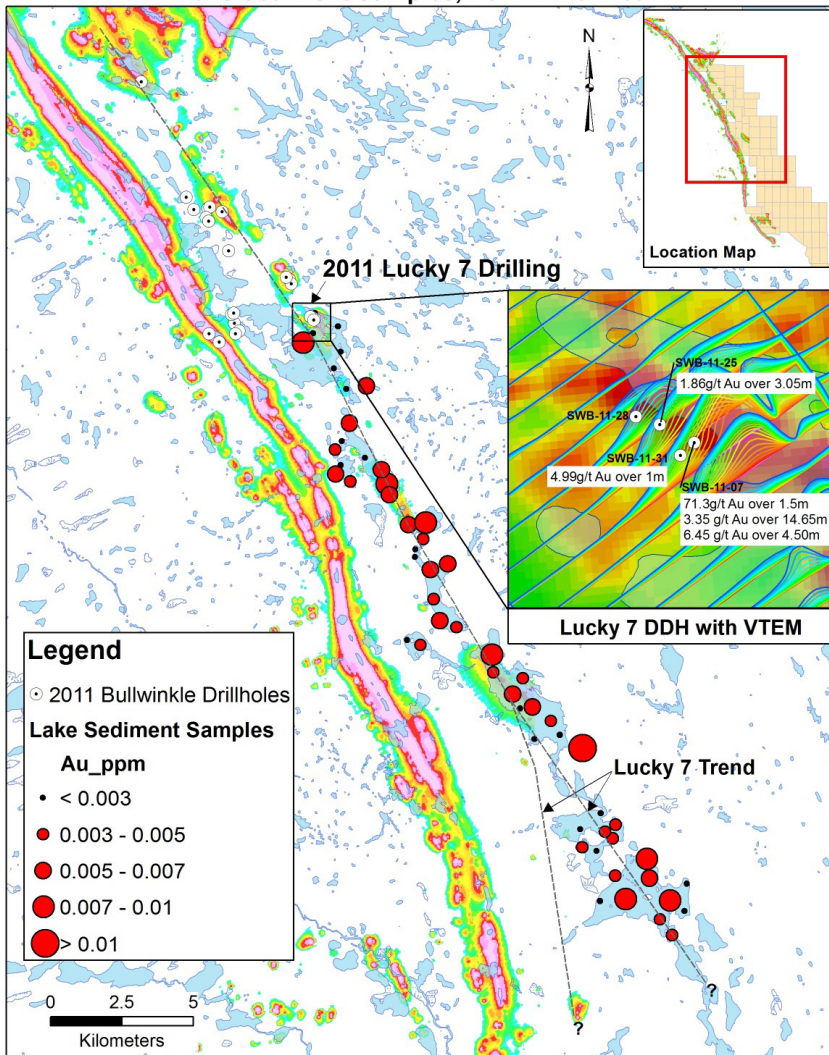
Exploration Tool Box



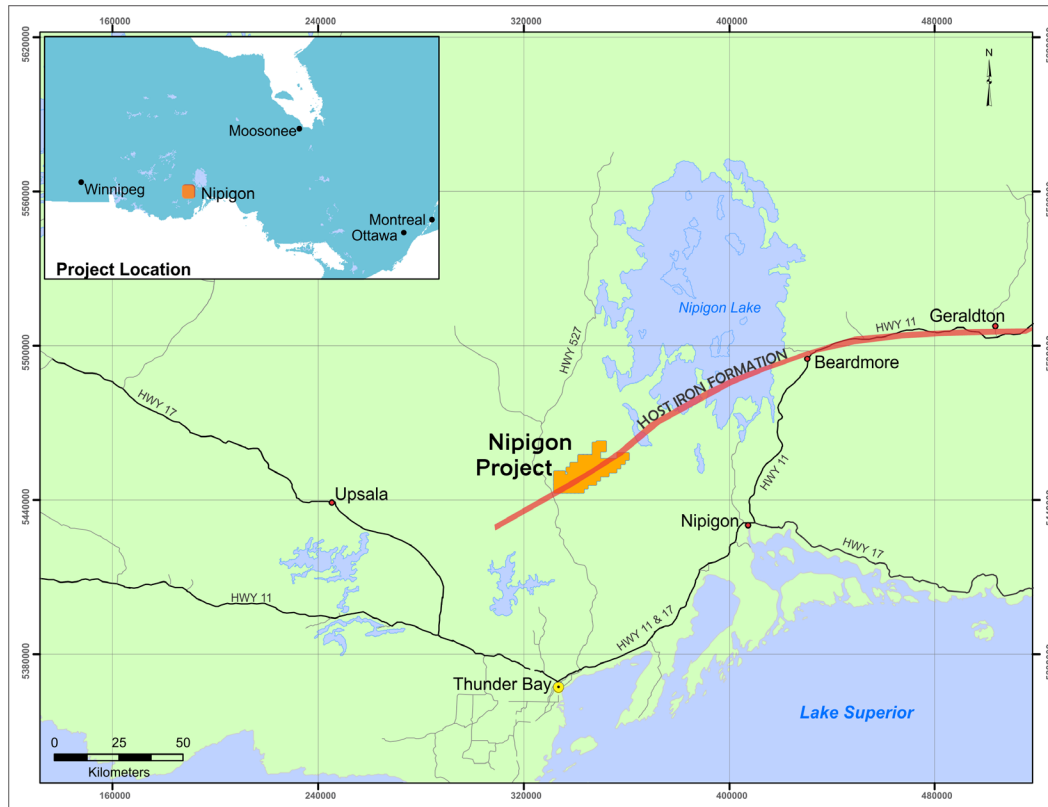
Wishbone Greenstone Belt

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Wishbone - VTEM Conductor Axes with Regional Lake Sediment Samples, Bullwinkle Area



- Prospective extension of the Hackett River greenstone belt to the south of Xstrata's project
- Sabina retained south-east belt gold targets similar in geology to Back River following sale to Xstrata
- Altered iron formation gold discovery targets identified with "Tool Box"



Nipigon, Ontario

- Back River similarities along same Fe formation that hosts Beardmore-Geraldton camp. Budget of \$0.5m for 2,000 meters of drilling

Red Lake, Ontario

- 2012 budget of \$1 million and 4,500 metres of drilling
- Focus is to determine extension on Madsen mine geology - geology hosting Claude's Madsen & Redaurum projects

Corporate Summary

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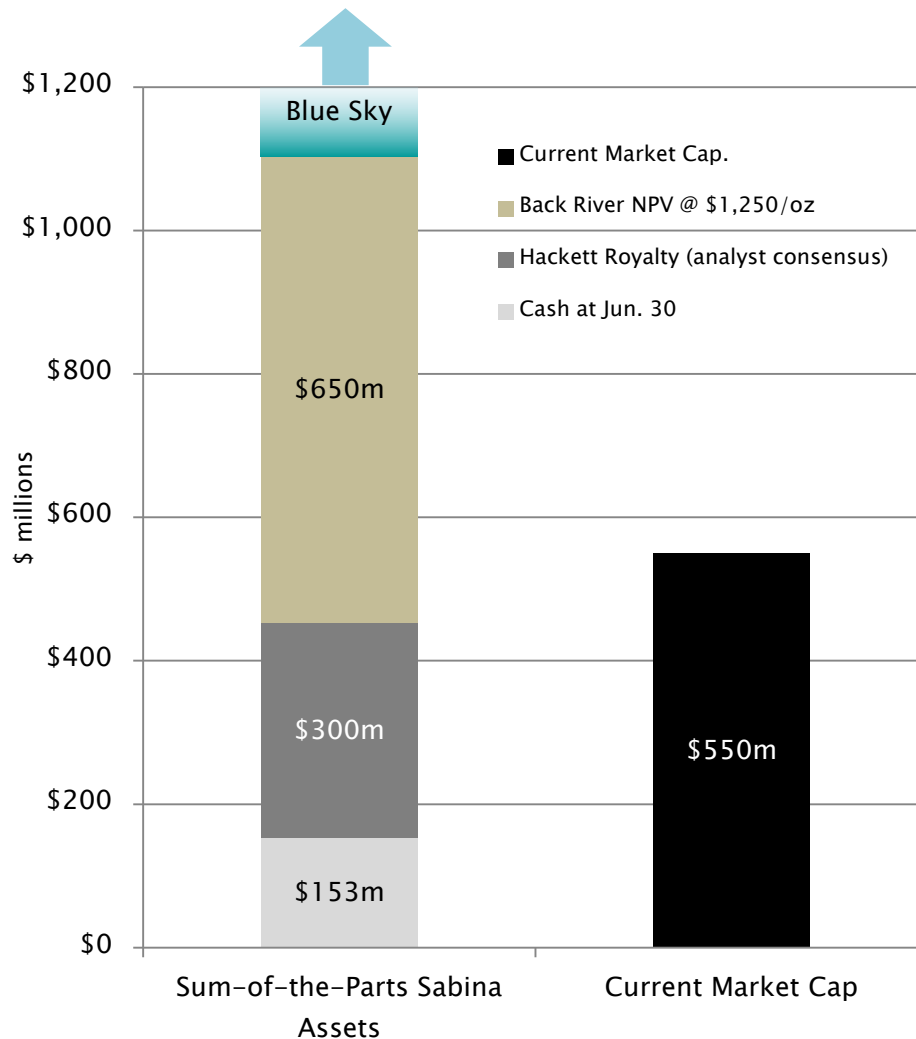
Sabina Gold & Silver Corp.	Symbol: SBB
Listed exchange	Toronto
Market cap. (approx)	\$550 million
Shares outstanding (basic)	172 million
Shares outstanding (diluted)	197 million
Cash Balance (Jun. 30 '12)	\$153 million
Debt	None
52 week trading range	\$1.66 - \$5.29
Recent Price	\$3.00

Analyst Coverage	
BMO Capital Markets	Andrew Kaip
Desjardins Securities	Brian Christie
Dundee Securities	Dale Mah
Paradigm Capital	Don MacLean
Cormark Securities	Richard Gray
RBC Capital Markets	Stephen Walker
Salman Partners	David West

Major Shareholders	Holdings (I&O)
Dundee Precious Metals	11.5%
Dundee Corporation	10.6%
Silver Wheaton	7.8%
Management	2.0% (options included)

Executive Management	Board of Directors
Rob Pease, President, CEO & Director	Rob Pease (Pres. & CEO)
Elaine Bennett, VP Finance & CFO	Roy Wilkes (Chairman)
Nicole Hoeller, VP Investor Relations & Corp. Secretary	Terry Eyton
Jason Hynes, VP Corporate Development	David Fennell
	Jonathan Goodman
Technical Management	Scott B. Hean
Angus Campbell, VP Exploration	James N. Morton
Wes Carson, VP Project Development	John Wakeford (former SVP)
Matthew Pickard, Director Enviro. & Community Relations	Anthony Walsh (former CEO)
	John F. Whitton

**Exploration, mine development &
capital markets experience**



Upcoming Catalysts

- Ongoing 2012 Back River exploration results
- Back River resource update
- Potential Hackett River resource update H1/2013
- Xstrata/Sabina BIPR agreement
- Back River PFS 2013



www.sabinagoldsilver.com

Sabina Gold & Silver Corp.

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